



STATE OF MICHIGAN

DEPARTMENT OF HEALTH & HUMAN SERVICES  
LANSING

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# Adoption Subsidy Policy Manuals

## PROGRAM OVERVIEW

The State of Michigan administers three adoption subsidy programs:

- Adoption Support Subsidy - Eligibility details for this program are defined in federal law (42 USC 673), Michigan law (MCL 400.115f-m.), and Department of Human Services (DHS) policy AAM 200. Funding for this program is through title IV-E and state funds.
- Nonrecurring Adoption Expenses Reimbursement - Eligibility details for this program are defined in federal law (42 USC 673), Michigan law (MCL 400.115f-m.) and DHS policy AAM 300 and 310. Funding for this program is through title IV-E funds.
- Adoption Medical Subsidy - Eligibility details for this program are defined in Michigan law (MCL 400.115f -m.) and DHS policy AAM 400. Funding for this program is through state funds.

### Purpose

The purpose of subsidy programs is to provide financial support to families who adopt children from foster care through the public child welfare system. These are children who otherwise would grow up in state foster care systems if a suitable adoptive parent could not be found.

Based on each individual child's situation and needs, one or more of the adoption subsidy benefits may be available to support his/her adoption. Some children do not qualify for any adoption subsidy program based on their individual circumstances.

Eligibility for adoption subsidy programs is available without respect to the income of the adoptive parent(s).

### Adoption Support Subsidy

The **adoption support subsidy** provides a monthly financial assistance benefit to the parent(s) of an eligible adopted child and is intended to assist with the payment of expenses of caring for the child; it is not intended to meet all of the costs of raising the child. Eligibility must be determined and a negotiated adoption assistance

agreement must be signed prior to the final order of adoption. After adoptive placement, adoptive parents assume financial, decision-making responsibility, and authority for the child.

### **Non-recurring Adoption Expenses Reimbursement**

The adoption subsidy program may reimburse up to \$2,000 of **non-recurring expenses** related specifically to the adoption. Eligibility for reimbursement of allowable expenses is determined prior to the final order of adoption and an adoption assistance agreement must be signed prior to the final order of adoption.

### **Adoption Medical Subsidy**

The **adoption medical subsidy** is a reimbursement program that assists in paying for medical or treatment costs for children adopted from the public child welfare system who have an identified physical, mental or emotional condition which existed, or the cause of which existed, before the adoption petition was filed. Routine expenses for typical childhood illnesses and over-the-counter medical supplies are not covered. Eligibility may be determined before and/or after the adoption but must be made prior to the child's 18th birthday. This subsidy is payment of last resort after all other medical coverage options are exhausted.

### **Program Administration**

The DHS Adoption Subsidy Office in central office administers these programs. The department makes decisions regarding eligibility for all Michigan adoption subsidy programs and reimbursements.

### **Agency Responsibilities**

For children in the public child welfare system, the placement agency foster care provider (PAFC), the private contracted adoption agency, DHS or the Department of Community Health (DCH) unit that has responsibility for the care and supervision of the child is responsible for:

- Informing the prospective adoptive parent(s) about Michigan's adoption subsidy programs
- Providing the prospective adoptive parent(s) with the DHS Publication 538, Michigan's Adoption Subsidy Program.
- Discussing the application process with the prospective adoptive parent(s).
- Submitting the application for adoption support subsidy/non-recurring adoption expenses and medical subsidy on behalf of the child and prospective adoptive parent(s) who have signed the DHS-4081, Intent Statement, requesting a determination of eligibility.
- Informing the prospective adoptive parent(s) of the Adoption Subsidy Office's determination of the child's eligibility/ineligibility for the subsidy programs.
- Negotiating an appropriate adoption support subsidy rate if the child has been determined eligible for adoption support subsidy.
- Handling subsidy applications, agreements and claims within designated time frames.

### **Notification of Subsidy Benefits**

Once a child is certified eligible for adoption support subsidy, nonrecurring adoption expenses and/or medical subsidy, the adoption worker must inform prospective adoptive parents of the availability of subsidy benefits for the child. The adoption worker will negotiate the rate on the agreement with the adoptive parent(s), not to exceed the amount entered on the agreement by the Adoption Subsidy Office.

### **International Adoptions**

Adoption subsidy programs are intended to support permanency for children with special needs adopted from foster care through the public child welfare system. As a result, the statutory requirements for eligibility reflect the needs of children in public child welfare systems and are difficult to apply to children who are adopted from abroad. Therefore, although statute does not categorically exclude these children from participation in adoption subsidy programs, it is

highly improbable that children who are adopted abroad by U.S. citizens, or are brought into the U.S. from another country for the purpose of adoption, will meet the eligibility criteria in federal and state law.

### **Non-Michigan Wards**

If another state has responsibility for placement and care of a ward, that state is responsible for determining the child's eligibility, entering into an adoption assistance agreement and paying any assistance or qualifying nonrecurring adoption expenses reimbursement, even if the child is placed in an adoptive home in another state.

Title IV-E prohibits the payment of title IV-E adoption assistance on behalf of an applicable child who is not a citizen or resident of the United States (U.S.) and was either adopted outside the U.S. or brought to the U.S. for the purpose of being adopted.

### **DHS Publication- 538**

State law requires DHS to publish and distribute a pamphlet on adoption subsidy programs. The DHS Pub-538, Michigan Adoption Subsidy Programs - Information for Prospective Adoptive Parents brochure, is available through the Forms and Mail Management (FMM) Unit of DHS. Publication 538 is also available online in the Adoption category from the DHS public web site: [www.michigan.gov/dhs-publications](http://www.michigan.gov/dhs-publications).

State law requires this pamphlet be provided to prospective adoptive parents of children who are under the care and supervision of DHS prior to their adoptive placement. However, if Michigan does not have responsibility for placement and care, or is otherwise unaware of the adoption of a potential special needs child, it is incumbent upon the adoptive family to request adoption subsidy on behalf of the child. It is not the responsibility of the state to seek out and inform individuals who are unknown to the department about the possibility of adoption subsidy for special needs children who are not under the supervision of the department. This policy is consistent with the intent and purpose of the statute to promote the adoption of special needs children who are in the public foster care system.

## **Appeals**

The state is required to inform prospective adoptive parents in writing at the time of the application and at the time of any action affecting their claim, of the right to request an administrative hearing. The method of obtaining a hearing and the right to represent themselves or be represented by another person such as an attorney, relative, friend, or other spokesperson must be provided in the information.

**FEDERAL LAWS  
AND REGULATIONS****Public Law 96-272**

The Adoption Assistance and Child Welfare Act of 1980 [42 USC 620 & 670 et seq.] amends the Social Security Act and provides the federal legal base for placement services to children. The intent of this law is to strengthen permanency planning for children within each of the states. The law also provides federal funding for a portion of the costs of adoption subsidy payments for eligible children in the child welfare system.

**Public Law 104-193**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 limits eligibility for federal foster care and adoption assistance payments to children in families that would have been eligible for Aid To Families with Dependent Children (AFDC) based on the program rules in effect on July 16, 1996.

**Public Law 105-89**

The Adoption and Safe Families Act of 1997 amends titles IV-B and IV-E of the Social Security Act [42 U SC 620-635 and 670-679 et seq.]. The law establishes that safety, permanency and well being are the goals for children in the child welfare system. The Act includes:

- Requirements that states provide health care coverage for children with medical or rehabilitative needs receiving an adoption support subsidy not funded by title IV-E.
- Authorization of continued eligibility for title IV-E adoption subsidy payments when the adoption disrupts or the parents die and the child is subsequently adopted.

**Public Law 103.432**

The Social Security amendments of 1994 amend Sections 470 - 473 of the Social Security Act [42 USC 670 et seq.] to link title IV-E financial eligibility to the AFDC program as it was in effect in the state on June 1, 1995.

**Public Law 109-171**

The Deficit Reduction Act of 2005 revised eligibility requirements for foster care maintenance payments and adoption assistance.

**Public Law 109-248**

The Adam Walsh Child Protection and Safety Act of 2006 requires national criminal background and child abuse registry checks before approval of any foster or adoptive placement.

**45 CFR 1355**

Part 1355 of the Code of Federal Regulations includes regulations for Foster Care Maintenance, Adoption Assistance and Child and Family Services. Title IV-E state plan requirements for adoption assistance, data collection and statewide automated child welfare information systems are addressed in the regulations.

**45 CFR 1356.40**

Part 1356.40 of the Code of Federal Regulations includes administrative requirements to implement section 473 of the Social Security Act for the adoption assistance program.

**45 CFR 1356.41**

Part 1356.41 of the Code of Federal Regulations includes regulations for the nonrecurring adoption expenses program.

**STATE LAWS****1939 PA 280, as amended [MCL 400.115f et seq.]**

The Social Welfare Act, effective June 16, 1939, established the state Department of Social Services.

**1980 PA 292**

This amendment to the Social Welfare Act, effective November 18, 1980, established the adoption subsidy program, set eligibility requirements and payment requirements.



**SUPPORT SUBSIDY  
FUNDING SOURCE**

Adoption support subsidy is funded through title IV-E funds and state funds.

**CITIZENSHIP**

To qualify for federal funding, a child must have U.S. citizenship or qualified alien status in accordance with title IV-E eligibility requirements; see FOM 902.

**MEDICAID  
COVERAGE**

Children eligible for title IV-E or non-title IV-E adoption support subsidy are categorically eligible for Medicaid coverage; see AAM 230.

Children who do not qualify for adoption support subsidy through the adoption support subsidy program may be eligible for other Medicaid programs. Adoptive parents may make application at the local DHS office.

**NONRECURRING  
ADOPTION  
EXPENSES  
FUNDING SOURCE**

Nonrecurring adoption expense reimbursements are funded by title IV-E funds.

**MEDICAL SUBSIDY  
FUNDING SOURCE**

Adoption medical subsidy payments are funded by state funds.

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## RECOUPMENT

Recoupment for overpayments will be pursued retroactively to the date that eligibility ceased to exist.

### Notice of Non-Support Process

When the Adoption Subsidy Office is made aware that a child is no longer in the adoptive home and the adoptive parent(s) are no longer providing any support for the child, the Adoption Subsidy Office will send the DHS-1184, Initial Letter Regarding Support, to the adoptive parent(s).

The DHS-1184 notifies the adoptive parent(s) that the Adoption Subsidy Office was informed that the child is no longer in their care and that they are no longer providing any support for the child. The DHS-1184 informs the adoptive parent(s) that they must notify the Adoption Subsidy Office, in writing as to how they have been providing support for the child and how they intend to provide support for the child in the future. A written response and supporting documentation are required within 14 calendar days from receipt of the DHS-1184 by the adoptive parent(s).

Failure by the adoptive parent(s) to provide the requested information will result in a DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, being issued to the adoptive parent(s) and commencement of the recoupment process. Recoupment will be retroactive to the date reported on the DHS-1184, that the child was no longer in the adoptive home and being supported by the adoptive parent(s).

The DHS-4103 notifies the adoptive parent(s) of their right to an administrative hearing; see AAM 700-Adoption Subsidy Administrative Hearings for more information.

**Note:** Recovery of adoption assistance overpayments is handled by the Reconciliation and Recoupment Unit in Central Office.

### Recoupment Process When Eligibility Ceases to Exist

If fraud is suspected, the Adoption Subsidy Office must make a referral to the Office of Inspector General for their investigation; see

Office of Inspector General Referral Process subsection below for process information. When a referral to the Office of Inspector General is not required, the Adoption Subsidy Office will begin the process below.

The recoupment process for an overpayment will be immediately initiated when the Adoption Subsidy Office is made aware that eligibility no longer exists; see AAM 620-Post Placement Adoption Subsidy Duration-All Programs, for more information regarding eligibility criteria.

The Adoption Subsidy Office will initiate the recoupment process by issuing the DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, to the adoptive parent(s). The DHS-4103, must include; the dates the overpayment was issued, the total amount of overpayment and a short description of the cause of over issuance. The DHS-4103 also notifies the adoptive parent(s) of their right to an administrative hearing; see AAM 700-Adoption Subsidy Administrative Hearings for more information.

The DHS-4103 must be mailed to the adoptive parent(s) along with the DHS-325-AA, Debtor Repayment Agreement. The DHS-325-AA informs the adoptive parent(s) that they have the option to make payment in full, have a reduction in their subsidy (if currently receiving subsidy for another child) or make monthly payments. The Adoption Subsidy Office must upload a copy of the DHS-4103 and the DHS-325-AA, into MiSACWIS. The adoptive parent(s) must indicate which repayment option they have selected from the options listed above by one of the following actions:

- Send a check or money order for the entire amount due to the DHS Cashiers Unit, or
- Return a signed copy of the DHS-325-AA, to Reconciliation and Recoupment Unit, Suite 1010, PO Box 30037, Lansing MI 48909 with one of two boxes checked, either subsidy reduction (only can occur if provider has an active adoption assistance case) or manual monthly payments made to the DHS Cashiers Unit

**Note:** Recovery of adoption assistance overpayments is handled by the Reconciliation and Recoupment Unit in Central Office.

**Reconciliation and  
Recoupment  
Overpayment  
Process**

When the DHS-325-AA, Debtor Repayment Agreement, is received by the DHS Reconciliation and Recoupment Unit, the recoupment information will be entered into their unit recoupment database, as a receivable.

Whenever the adoptive parent(s) have questions regarding how the amount of overpayment was determined, the Reconciliation and Recoupment Unit will direct the adoptive parent(s) to the Adoption Subsidy Office. The Adoption Subsidy Office will review the information on the DHS-4103 with the adoptive parent(s) and will address concerns and disputes with the adoptive parent(s).

After the Adoption Subsidy Office addresses any concerns or disputes with the adoptive parent(s), the Adoption Subsidy Office may make changes to the recoupment amount or dates for the overpayment time period. If a change is made, the Adoption Subsidy Office will reflect this on a revised, DHS-4103 and send an updated DHS-325-AA to the adoptive parent(s). The Adoption Subsidy Office may determine that the initial recoupment amount and dates were correct and will notify the Reconciliation and Recoupment Unit to proceed with recoupment of funds.

If the DHS-4103 is revised, a copy must be uploaded in MiSACWIS and copies must be sent to the Reconciliation and Recoupment Unit and the adoptive parent(s).

The Reconciliation and Recoupment Unit establishes the receivable into the adoption subsidy overpayment database, monitors for compliance of repayments based on the signed DHS-325-AA, Debtor Repayment Agreement, and assesses for delinquency in payments. Reconciliation and Recoupment Unit receives notification of voluntary payments from the Cashiers Unit and adjusts adoptive parent(s) debtor accounts accordingly to maintain the proper debtor claim balance.

**Note:** All phone calls or written correspondence received regarding payments will be addressed by the Reconciliation and Recoupment Unit unless it is a new concern or debate of the overpayment amount.

**Attorney General  
Referral**

In the event a debt due to an overpayment of adoption assistance becomes delinquent, the debt may be referred by Reconciliation and Recoupment staff to the Attorney General's Office for further collection efforts. The Attorney General's Office will pursue collections on such claims through: voluntary repayments, civil lawsuits, probation violations and seizure/garnishment on civil and criminal restitution orders.

**Office of Inspector  
General's Referral**

A referral to the Office of Inspector General shall be made if fraud is suspected. The Adoption Subsidy Office must make a referral to the Office of the Inspector General for investigation, using the DHS-834, Fraud Investigation Request.

**UNDERPAYMENTS**

Retroactive payments are issued to correct underpayments caused by administrative error. An underpayment occurs when the family is paid less than the amount of subsidy they are eligible to receive. Examples of administrative errors are:

- Computer or machine errors.
- Misapplication of policy by DHS staff.
- Failure to process a change in a timely manner.

Underpayments are corrected retroactively for a period up to two (2) years prior to the current month.

**TAX IMPLICATIONS**

Families with specific tax questions, or requests for information about how subsidy affects their income tax, must be referred to the Internal Revenue Service or the Michigan Department of Treasury.

## FORMS AND PUBLICATIONS

The Adoption Subsidy Office has developed several forms and publications for use in the subsidy program.

### DHS Publication 538

**DHS Publication 538**, Michigan's Adoption Subsidy Programs informs prospective adoptive parents of the availability of adoption support subsidy, nonrecurring adoption expenses, and adoption medical subsidy programs. This publication must be provided within 14 calendar days of identification of an adoptive family for a child who is legally free for adoption and under the supervision of the Department of Human Services (DHS). The brochure is also available on the DHS public website at: **[www.michigan.gov/dhs-publications](http://www.michigan.gov/dhs-publications)**.

### Forms

The following forms are used for eligibility certification, case opening and the nonrecurring adoption expenses (NRE) claim process:

- DHS-1341, Adoption Assistance and/or Medical Subsidy Application.
- DHS-1341A, Parent's Application for Adoption Medical Subsidy For An Adopted Child.
- DHS-1344, Adoption Subsidy Case Opening Request.
- DHS-4081, Adoption Assistance Intent Statement.
- DHS-4813, Adoption Support Subsidy Program Other Payment Resources.
- DHS-4814, Nonrecurring Adoption Expenses Application/Agreement for a Child Without Support Subsidy.
- DHS-4815, Parent Claim for Reimbursement of Nonrecurring Adoption Expenses.
- DHS-4816, Third Party Claim for Reimbursement of Nonrecurring Adoption Expenses.



- DHS-4817, Adoption Subsidy Program Change Request.

These forms are available on the DHS public website.

## INTRODUCTION

The Michigan Department of Human Services (DHS) provides title IV-E funded and state funded adoption support subsidy for special needs children. Title IV-E adoption support subsidy is based on federal title IV-E funding guidelines. State funded adoption support subsidy is based on state guidelines and provides subsidy for special needs children who do not qualify for title IV-E funded support subsidy. Eligibility for either of these programs results in issuance of a DHS-4113, Adoption Assistance Agreement.

In order for a child to be eligible for adoption support subsidy, eligibility must be determined by DHS, and the DHS-4113, Adoption Assistance Agreement, must be negotiated and signed by the adoptive parent(s) **and** the adoption subsidy program manager or DHS designee prior to the final order of adoption.

## APPLICATION PROCESS

Applications for adoption support subsidy are submitted by the adoption worker who is responsible for the care and supervision of the child. In cases where the prospective adoptive family is working with an agency that does not have care and supervision of the identified child, the application for subsidy may be submitted by either the child's or the family's worker, through a cooperative effort between the agencies. The application is submitted when the child is legally free for adoption through termination of all parental rights and an appropriate family has been identified. For an American Indian child who can be adopted without termination of parental rights, the tribe must document a valid reason why the child cannot or should not be returned to the home of the parents.

The adoption agency must submit the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, and required supporting documentation, listed on the DHS-1341 for every child whose prospective adoptive parent(s) are requesting a subsidy determination.

The supporting documentation must be current at the time the **complete** application is received in the Adoption Subsidy Office in order for it to be accepted and not be subject to expiration during the review process.

The Adoption Subsidy Office located in DHS Central Office makes all eligibility determinations.

**CHILD WITH  
SPECIAL NEEDS**

A child's eligibility for either title IV-E funded or state funded adoption support subsidy is based, in part, on the state's determination that the child has special needs.

**Federal Definition**

A determination of special needs is a three-part requirement established in section 473(c) of the Social Security Act (42 USC 673(c)). All three parts of the special needs provision must be met to be considered a child with special needs. The determination of special needs must be made by DHS and a negotiated adoption support subsidy agreement must be signed **prior** to the final order of adoption.

The three parts of the federal special needs determination are as follows:

1. The child cannot or should not be returned to the home of his or her parents.
2. A specific factor or condition exists which makes it reasonable to conclude that the child cannot be adopted without providing title IV-E adoption subsidy or title XIX medical assistance.
3. The state must make a reasonable, but unsuccessful, effort to place the child for adoption with appropriate adoptive parent(s) without providing adoption support subsidy, except in cases where it would be against the best interests of the child due to the existence of significant emotional ties with the prospective adoptive parent(s).

**Michigan Special  
Needs  
Requirements**

Michigan has specific requirements to meet both the federal definition and the state's special needs eligibility criteria.

At the time of eligibility determination, the child must be a child with special needs. A child is considered a child with special needs if DHS has determined **all** of the following:

1. The child is under age 18.

2. The parental rights to the child have been terminated.
  - If an American Indian child can be adopted in accordance with tribal law without a termination of parental rights and the tribe has documented a valid reason why the child cannot or should not be returned to the home of the parents, termination is not required.
  - State funded eligibility requirement: Termination of parental rights must be under MCL 712A.19b (abuse and neglect) or MCL 710.29 (release) while the child was involved in an abuse or neglect proceeding.
3. The child has **one** of the following **specific factors or conditions**:
  - Eligibility for Supplemental Security Income (SSI), based solely on the medical and disability requirements without regard to the SSI income requirements, as determined by the Social Security Administration.
  - A DHS foster care level II or above determination of care (DOC) rate that meets all of the following:
    - Documented by the DHS-470, 470A or 1945.
    - Supported by the current foster care updated service plan (USP/PWSP).
    - Approved in accordance with DHS foster care policy.
  - The child is at least age 3.
  - The child is being adopted by a relative (within the 5th degree of consanguinity); see CFG Glossary.
  - The child is being adopted by the parent(s) of his/her previously adopted sibling.
  - The child is a member of a sibling group being adopted together and at least one sibling group member has been determined eligible for adoption support subsidy as an individual.
4. An effort to place the child without providing adoption support subsidy is demonstrated by the adoptive parent(s) signature(s)

in Section 1 of the DHS-4081, Adoption Assistance Intent Statement.

## **TITLE IV-E FUNDING ELIGIBILITY REQUIREMENTS**

Effective October 1, 2009, the Fostering Connections to Success and Increasing Adoptions Act of 2008 (P. L. 110-351) phases in revised title IV-E funding eligibility requirements for specific special needs children over a nine-year period. A special needs child to whom the revised eligibility requirements apply is referred to in the federal law as an **applicable child**; see Appendix.

In order to qualify for adoption support subsidy funded by title IV-E, a child who meets the state's special needs requirements must also meet either the **applicable child** or **not applicable child** requirements.

The following citizenship, felony conviction, and agreement requirements apply to both applicable child and not applicable child title IV-E funded cases.

### ***Citizenship Status***

The child must be a U.S. citizen or qualified alien; see FOM 902.

### ***Felony Convictions***

Adult members of the adoptive household must not have any felony convictions for any of the following crimes:

- Child abuse/neglect.
- Spousal abuse.
- A crime against children (including child pornography).
- A crime of violence, including rape, sexual assault or homicide, but not including other physical assault or battery.
- Within the last five years only: physical assault, battery or drug-related offense.

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**Title IV-E  
Applicable Child  
Requirements**

In addition to meeting the citizenship and background check requirements, the child must meet one and two below:

1. An **applicable child** is a special needs child who meets one or more of the following requirements immediately prior to finalization of the adoption:
  - Meets the applicable age requirements (as indicated in the Appendix).
  - Has been in foster care during any 60 consecutive months prior to the finalization of the adoption.
  - Is a sibling to a child who meets one of the above applicable child requirements and will be adopted by the same adoptive family.
2. The **applicable child** must also meet **one** of the following title IV-E funding eligibility requirements:
  - The child, at the time of the initiation of the adoption proceedings, was in the care of a public or private licensed placement agency foster care (PAFC) provider or Indian tribal organization pursuant to one of the following:
    - An involuntary removal in accordance with and at the time of a judicial determination to the effect that it was contrary to the child's welfare to remain in the home.  
  
**Note: For children removed prior** to March 27, 2000- the court finding of contrary to the welfare or best interest does not need to be made within the first court order. This determination must be part of a written court order issued prior to or at the time of the dispositional order.
    - A voluntary placement agreement or voluntary relinquishment.
  - The child meets all medical and disability requirements of Supplemental Security Income (SSI).

- The child was residing in a foster family home or child care institution with his/her minor parent and the minor parent was removed from the home pursuant to either:
  - An involuntary removal in accordance with a judicial determination to the effect that it was contrary to the child's welfare to remain in the home.
  - A voluntary placement agreement or voluntary relinquishment.
- The child was adopted and was determined eligible for title IV-E adoption assistance in a prior adoption and is available for adoption because the prior adoption has been dissolved or the child's adoptive parents have died. (The child must be re-determined to be a special needs child by DHS in order to be eligible for adoption assistance in the subsequent adoption.)

**Signed Agreement**

A negotiated DHS-4113, Adoption Assistance Agreement, must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

**International  
Adoptions**

Title IV-E prohibits the payment of title IV-E adoption assistance on behalf of an **applicable child** who is not a citizen or resident of the United States (U.S.) and was either adopted outside the U.S. or brought to the U.S. for the purpose of being adopted.

**Title IV-E Not  
Applicable Child  
Requirements**

A special needs child who is referred to as a **not applicable child** is one to whom the revised title IV-E funding requirements do not apply and to whom the eligibility requirements in place prior to October 1, 2009 do apply.

In addition to meeting the citizenship and background check requirements the special needs child must meet one of the following four pathways in order to receive title IV-E funding (42 USC 673):

1. The special needs child must meet both of the following criteria in order to receive title IV-E funding (42 USC 673):
  - The child was eligible for the former Aid to Families with Dependent Children (AFDC) program\* at the time of removal from the specified relative home.
  - The child was removed from the home due to a judicial determination; the determination must indicate that it was contrary to the child's welfare to remain in the home.

**Note: For children removed prior** to March 27, 2000- the court finding of contrary to the welfare or best interest does not need to be made within the first court order. This determination must be part of a written court order issued prior to or at the time of the dispositional order.

\* Based on the state's approved AFDC plan in effect 7/16/1996.

2. The child meets all of the medical or disability requirements for Supplemental Security Income (SSI) benefits.
3. The child is a child of a minor parent covered by title IV-E foster care payments. The minor parent is in foster care and receives a title IV-E foster care maintenance payment that covers both the minor parent and the child of the minor parent and the child of the minor parent meets the special needs requirements. There is no requirement that the child must have been removed from home due to a voluntary placement agreement or as a result of a judicial determination.
4. The child was eligible for title IV-E adoption support subsidy in a previous adoption and the state has determined that the child continues to meet the special needs criteria. The manner of removal from the adoptive home is not relevant for a subsequent adoption. Title IV-E eligibility does not need to be re-established in a subsequent adoption.

### **Signed Agreement**

A negotiated DHS-4113, Adoption Assistance Agreement, must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.



**State- Funded  
Adoption Support  
Subsidy**

If the Michigan requirements for a child with special needs are met but the child does not meet the title IV-E funding eligibility factors above, a state- funded adoption support subsidy is offered.

**Adoption  
Following a  
Juvenile  
Guardianship**

If a child was placed with a relative in juvenile guardianship, a determination of eligibility for adoption assistance will not consider the guardianship placement or assistance payments that were made for the child. If the child was eligible for title IV-E adoption assistance prior to the juvenile guardianship, the title IV-E funding eligibility will be carried forward to adoption.

**Adoption  
Following a  
Dissolved  
International  
Adoption**

A child who is not a citizen or resident of the United States and was adopted outside of the U.S. or brought into the U.S. for the purpose of being adopted may be eligible for adoption assistance if the initial adoption of the child is dissolved and the child is subsequently placed into foster care through the public child welfare system. The child's circumstances must meet the state's special needs eligibility requirements.

**Background  
Checks**

Federal law (P.L. 109-248) requires background checks for all adults in the adoptive household regardless of whether title IV-E or state-funded adoption subsidy payments are to be made on behalf of the child; see ADM 0520.

**Adoption by  
Birth/Legal  
Parent(s)**

Adoption support subsidy must not be approved for adoption by the child's biological or legal parent(s) whose rights were previously terminated.

**AGREEMENT**

A written adoption subsidy agreement (DHS-4113, Adoption Assistance Agreement):

- Is negotiated between the parent(s) and DHS or contracted private adoption agency.
- Specifies the negotiated amount of adoption support subsidy to be paid.
- Must be signed by the parent(s) and adoption subsidy program manager or DHS designee prior to the final order of adoption.
- Specifies whether the child has been determined eligible for title IV-E or state-funded adoption support subsidy, nonrecurring adoption expenses reimbursement and Medicaid.

Detailed information about the agreement is in AAM 500, Adoption Subsidy Agreements - All Programs.

**Effective Date**

If the DHS-4113, Adoption Assistance Agreement is signed **before** the adoptive placement date, the adoption support subsidy payment is effective the date of the PCA 320, Order Placing Child After Consent.

If the DHS-4113, Adoption Assistance Agreement is signed **after** the adoptive placement date, but prior to or on the date of the adoption finalization, the adoption support subsidy payment is effective the date the adoption subsidy program manager or DHS designee signs the agreement.

**Note:** Although policy allows for determination of adoption support subsidy eligibility after the petition for adoption is filed, DHS and private contract agency workers are expected to have adoption assistance agreements signed by all parties before the court signs the PCA 320, Order Placing Child After Consent. This practice

allows adoption support subsidy payments to begin at the earliest allowable date.

**State of Residency  
of Adoptive  
Parents**

Michigan adoption subsidy agreements remain in effect regardless of the state of residence of the adoptive parent(s).

**CHANGES IN  
FAMILY OR CHILD'S  
CIRCUMSTANCES**

After an adoption support subsidy application has been submitted and/or approved or denied, the adoption worker **must** submit a new DHS 1341, Adoption Assistance and Medical Subsidy Application, if there is a change in the child's adoption plan or circumstances before adoption finalization. The child's eligibility for the adoption support subsidy and nonrecurring adoption expenses programs must be redetermined.

**Changes Before  
Adoptive  
Placement**

The adoption worker must report changes in the adoption plan or foster care rate to the Adoption Subsidy Office. A new determination of eligibility/maximum rate is required. If the child is determined eligible, a new DHS-4113, Adoption Assistance Agreement, is issued and must be negotiated and signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to the final order of adoption. Examples of changes are:

- Divorce of prospective adoptive parent(s).
- Marriage of the prospective adoptive parent(s).
- Death of prospective adoptive parent(s).
- Change in plan for adoption by the prospective adoptive family.
- Increase or decrease in the amount of the foster care maintenance payment that the child is receiving or would have received in a family foster home.

***Adoption Plan Changes***

Each change in the adoption plan requires a new complete DHS-1341, Adoption Assistance and/or Medical Subsidy Application with

required documentation, and DHS-4081, Adoption Assistance Intent Statement.

***Rate Changes***

Each change in rate requires a DHS-4817, Adoption Subsidy Program Change Request, current DOC assessment and supporting documentation.

**NOTIFICATION  
REQUIREMENTS**

When a change is made in the child's adoption plan or placement, the adoption worker must notify the Adoption Subsidy Office within 30 Calendar days of the change. Adoption support subsidy eligibility is not transferable from one family to another.

The DHS-4817, Adoption Subsidy Change Report, is used to report all changes, prior to adoption finalization.

**Changes After  
Adoptive  
Placement  
(Disrupted  
Adoption)**

If the placement of a child in an adoptive home ends prior to the finalization of the adoption, the adoption worker must notify the Adoption Subsidy Office immediately by submitting the court order and a DHS-4817, Adoption Change Report, explaining the reason for disruption. If the child is subsequently matched with another adoptive family, a complete DHS-1341 with required documentation must be submitted for the new placement, a determination of eligibility must be made and a DHS-4113, Adoption Assistance Agreement must be signed by the adoptive parent(s) and adoption subsidy program manager or DHS designee prior to the final order of adoption.

**Changes After  
Adoption  
Finalization  
(Dissolved  
Adoption)**

If the adoption of a child is ended through termination of parental rights, the adoption support subsidy ends. If the child is subsequently matched with another adoptive family, a complete DHS-

1341 with required documentation must be submitted for the new placement, a new determination of special needs eligibility must be made, and a DHS-4113, Adoption Assistance Agreement must be signed by the adoptive parent(s) and adoption subsidy program manager or DHS designee prior to the final order of adoption. If a child was eligible for title IV-E funded support subsidy in the previous adoption, the title IV-E funding eligibility is carried forward to the subsequent adoption if the child continues to be a special needs child, as determined by the state.

**Changes after  
Adoption  
Finalization (Death  
of Adoptive  
Parent(s))**

If a legal guardian is appointed after the death of the adoptive parent(s) continuation of adoption support subsidy with state funds may be available under MCL 400.115j(5); see AAM 620.

**APPENDIX - TITLE  
IV-E FUNDING**

**TITLE IV-E FUNDING**

**APPLICABLE CHILD ELIGIBILITY CHART**

473 of the Social Security Act (4225c673)

		<b>FEDERAL FISCAL YEAR</b>								
		<b>October 1 – September 30</b>								
<b>HIGHEST AGE ATTAINED BY THE CHILD DURING FISCAL YEAR</b>		2010	2011	2012	2013	2014	2015	2016	2017	2018
	18+									
	17									
	16									
	15									
	14									
	13									
	12									
	11									
	10									
	9									
	8									
	7									
	6									
	5									
	4									
	3									
	2									
	1									
	0									

**Applicable Child  
Revised Eligibility Criteria Apply  
(sec 473(a)(2)(A)(ii))**

**Not an applicable child –  
Preexisting Eligibility Criteria  
Apply  
(sec. 473(a)(2)(A)(i))**

Social Security Act

**LEGAL BASIS**

Federal and state laws (MCL 400.115f-m,r,s) require that adoption support subsidy eligibility and nonrecurring adoption expenses eligibility be determined and an adoption assistance agreement be negotiated and signed by the adoptive parent(s) and the Department of Human Services designee prior to the final order of adoption.

**APPLICATION  
PROCESS**

If adoptive parents assert that an error was made in their child's case, they may apply for adoption support subsidy/nonrecurring adoption expenses by submitting a written request to:

Adoption Subsidy Office  
Michigan Department of Human Services  
Grand Tower, Suite 612  
P.O. Box 30037  
Lansing, MI 48909

The adoption subsidy office will review the request and determine if additional information is needed in order to determine the circumstances of the adoption. The adoptive parents must provide documents for evidence.

The adoption subsidy office will review the child's circumstances and determine adoption support subsidy eligibility based on the eligibility policy in the Adoption Subsidy Manual (AAM) that was in effect at the time the child's adoption was finalized.

After review of all documents, the adoption subsidy office will send a written response of the findings to the adoptive family. If the application is denied, the letter will include information about the right to request an administrative hearing.

If the parent(s) disagree with a denial, they may request an administrative hearing within 90 calendar days of the written notice of the denial decision by the adoption subsidy office. In an administrative hearing, the administrative law judge (ALJ) must first address whether an error has occurred. (See AAM 700, Administrative Hearings for additional information.)

**Title IV-E Eligible  
Cases**

The adoption subsidy office does not have the authority to approve title IV-E funded adoption support subsidy/nonrecurring adoption expenses applications submitted after the finalization of the adoption. A title IV-E funded adoption support subsidy/nonrecurring adoption expenses application submitted after finalization of the adoption can only be approved through the administrative hearings process. After the adoption subsidy office reviews the adoption support subsidy/nonrecurring adoption expenses application and determines that the child would be title IV-E eligible if granted an adoption support subsidy and/or nonrecurring adoption expenses, a written response with the findings will be sent to the adoptive parent. The written response will include the finding by the adoption subsidy office regarding the eligibility of the child and an explanation about the right to request an administrative hearing in order to either establish a title IV-E funded adoption support subsidy and/or nonrecurring adoption expenses eligibility or to appeal the decision by the adoption subsidy office.

**State Funded  
Eligible Cases**

After an adoption is finalized, the adoption subsidy office may approve state funded adoption support subsidy for a child who does not meet title IV-E funding requirements if one of the following specific administrative errors was made:

- An error in the written determination of a child's ineligibility by the DHS adoption subsidy office.
- The documented denial of eligibility by the DHS adoption subsidy office based on a means test of the adoptive family.
- For children who were under the care and custody of DHS and placed for adoption after January 1, 1995 only: failure by the DHS local office adoption program (or private agency under contract with DHS to provide adoption services) to notify or advise the adoptive parent(s) of the availability of adoption support subsidy and/or nonrecurring adoption expenses. Documented receipt of DHS Publication 538, Michigan's Adoption Subsidy Programs, is deemed evidence of notice of the above. This publication is given to the adoptive parent(s) by the adoption worker during the adoption application process.



- An administrative error on the part of the adoption agency is found.

**Other Applications**

All other applications for Adoption Support Subsidy and/or Nonrecurring Adoption Expenses that are submitted after the finalization of the adoption will be denied and must go through the administrative hearing process in order to have an administrative law judge make a determination of eligibility.

**RATE  
DETERMINATION  
OVERVIEW/  
NEGOTIATION  
PROCESS**

After a child is determined eligible for adoption assistance as a special needs child, an adoption assistance payment rate is determined.

**Note:** Prospective adoptive parent(s) may waive their right to have an eligibility determination for adoption assistance by signing section two of the DHS-4081, Intent Statement; see AAM 100, Program Overview.

The adoption assistance payment is intended to assist with expenses of caring for the child; it is not intended to meet all of the costs of raising the child. The adoption assistance rate is not based on the adoptive parent(s) income or a means test. The negotiated adoption assistance rate takes into consideration the needs of the child and the circumstances of the adoptive family. The following steps are used to establish the ongoing daily adoption assistance payment rate:

1. The adoption worker will assist the prospective adoptive parent(s) with completing the DHS-959, Adoption Assistance Rate Determination Worksheet. Completion of the DHS-959 is the first step in the adoption assistance rate negotiation process. The prospective adoptive parent(s) will request a daily adoption assistance rate on the DHS-959, based on the information provided on the form. The requested rate cannot exceed the maximum foster care rate the child is receiving or would receive if placed in a licensed foster family home.
2. After the adoption worker assists the prospective adoptive parent(s) with completing the DHS-959, Adoption Assistance Rate Determination Worksheet, the adoption worker sends the DHS-959 and supporting documentation along with the application packet to the Adoption Subsidy Office.

**Note:** The DHS-959 takes into consideration the needs of the child and the circumstances of the prospective adoptive family.

3. The Adoption Subsidy Office reviews the information contained in the completed DHS-959, including the rate requested by the prospective adoptive parent(s) and may either accept the

requested rate or determine and offer a new rate based on the information provided. The rate shall not exceed the foster care rate which was paid, or would have been paid if the child had been in a foster family home, which is the maximum adoption assistance daily rate.

4. The Adoption Subsidy Office will prepare and send to the adoption worker a proposed DHS-4113, Adoption Assistance Agreement, which includes the offered adoption assistance rate and the maximum adoption assistance rate.
5. The adoption worker must meet with the prospective adoptive parent(s) to discuss the offered rate and review the agreement.

**Note:** This discussion must occur within seven calendar days of receipt of the DHS 4113, Adoption Assistance Agreement.

6. The prospective adoptive parent(s) will either accept the offered daily rate and sign the DHS-4113 or reject the offered rate and submit a written request to the Adoption Subsidy Office for a rate review which includes their requested rate and supporting documentation. The prospective adoptive parent(s) must either sign the DHS-4113, or request a rate review within 14 calendar days of receiving the DHS-4113.

**Note:** Refusal to accept the offered adoption assistance rate, in and of itself, will not result in adverse action by the department.

7. If a rate review is requested, the review will be conducted by the adoption subsidy manager or DHS designee. Within seven calendar days of the review, the Adoption Subsidy Office will either:
  - Send a new DHS-4113, Adoption Assistance Agreement, with a change to the offered rate, to the adoption worker for the required signatures; or
  - Offer a rate review conference with the adoption worker, prospective adoptive parent(s) and the adoption subsidy manager or DHS designee regarding the rate. The rate review conference will be held within 14 calendar days of the offer. A rate determination following a rate review conference will be made by the Adoption Subsidy office within seven calendar days following the conference.

**Note:** If the prospective adoptive parent(s) does not want a rate review and/or objects to the outcome of the conference, he/she may request an administrative hearing in writing; see AAM 700.

The DHS-4113, Adoption Assistance Agreement, **must** be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

## MAXIMUM RATE DETERMINATION

The Adoption Subsidy Office determines a maximum daily rate for the child's adoption assistance. The adoption assistance maximum rate is determined without regard to the income of the adoptive family. The rate is determined by one of the following:

- The foster care rate the child received in foster care at the time of rate determination.
- In cases where a child is eligible for but not receiving a foster care payment, the foster care payment the child would receive if placed in a licensed foster family home at the time of rate determination.

Both of the above determinations include the current or projected determination of care (DOC) assessment and/or approved rate for the child.

If there is a current or projected determination of care (DOC) rate, the adoption worker must submit the supporting documentation to the Adoption Subsidy Office with the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, for determination of the maximum adoption assistance daily rate. The documentation must support the maximum adoption assistance rate.

## Children Not Receiving Family Foster Care Payments

Children whose care is funded through the Family Independence Program (FIP), Supplemental Security Income (SSI), residential facility payments, or other financial support (for example, private agency funds, Department of Community Health funds, or Retirement, Survivors, Disability Insurance (RSDI)) must have a maximum adoption assistance rate set by determining the DHS

foster care rate the child **would** receive if placed in a licensed family foster home. The daily standard foster care rate is used as a base rate for the adoption assistance maximum daily rate. In order to request an adoption assistance rate higher than the daily standard foster care rate, the adoption worker must submit a completed DOC assessment (including supporting documentation) and a cover memo to the DHS local office for approval. The memo must explain the request for approval of a **projected** DOC for the purpose of adoption assistance rate determination. DHS local office approval of the DOC rate is required for an adoption assistance maximum rate above the standard foster care rate.

### Required Documentation of Child's Needs

The following documentation must be attached to the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, in order to establish the maximum adoption assistance daily rate for each child. All documentation must be current at the time the **complete** application is received in the Adoption Subsidy Office in order for it to be accepted and not be subject to expiration during the review process.

#### ***No DOC Rate***

- A copy of the most recent (within the last 6 months) DOC assessment (DHS-470, 470-A, or 1945) must be submitted.

#### ***DOC Rate***

- Any foster care rate that exceeds the DHS current standard maintenance foster care payment is considered a DOC rate (see FOM-909-33, Determination of Care Supplements for Foster Care). If a child has care needs above a standard foster care maintenance rate, copies of the following foster care documents must be attached.

#### ***DOC I, II, III***

- A DOC Level I, II, or III requires:
  - A copy of a current **DHS approved** DOC assessment (DHS-470, 470A, or 1945) dated within six months.
  - A copy of the professional documentation that supports the DOC rate, if applicable.

- A copy of the current DHS-66, Updated Service Plan (USP) or DHS-68, Permanent Ward Service Plan (PWSP) dated within three months of received date of application.
- A copy of the DHS-67, Parent-Agency Treatment Plan & Service Agreement (for children receiving foster care payments), dated within three months of received date of application.

***DOC Rate Above Level III***

- A DOC above Level III requires all of the above, plus:
  - A copy of the supporting documents that were submitted to the designated DHS manager to justify the rate.
  - A copy of the professional documentation that supports the DOC rate.
  - A copy of the approval memo from the designated DHS manager.
  - Specific information showing how the exceptional rate was calculated.

**Agreed Upon  
Ongoing Rate**

The agreed upon ongoing adoption assistance rate is determined by an agreement between the adoptive parent(s) and the department taking into consideration the circumstances of the prospective adoptive parent(s) and the needs of the child being adopted. The circumstances of the family and the needs of the child are determined through a discussion between the prospective adoptive parent(s) and the adoption worker.

The adoption worker assists the prospective adoptive family in determining the child's needs and the family circumstances by completing the DHS-959, Adoption Assistance Rate Determination Worksheet. The negotiation process may take into account any additional benefits the child may receive such as Retirement, Survivors, Disability Insurance (RSDI) and Veterans Administration (VA) benefits (through birth parent eligibility), insurance settlements or income from trusts. Negotiation must also take into account any additional expenses the family may have after adoption.

The ongoing adoption assistance rate may be set at any rate up to the maximum daily adoption assistance rate determined by the Adoption Subsidy Office. During negotiation, the adoptive parent(s) may agree to less than the maximum adoption assistance daily rate depending on the family's personal circumstances. The adoptive parent(s) may request a renegotiation (up to the maximum adoption assistance daily rate set by the Adoption Subsidy Office) when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the DHS-959, Adoption Assistance Rate Determination Worksheet.

**Note:** Supporting documentation is required.

The agreement includes both the maximum adoption assistance rate determined by the Adoption Subsidy Office and the offered ongoing daily adoption assistance rate based on information provided on the DHS-959, Adoption Assistance Rate Determination Worksheet. The agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

#### **Changes to Child's Needs or Family's Circumstances Before Adoption Finalization**

When a child's needs increase or decrease or there are changes to the family's circumstance after an adoption assistance agreement has been issued but prior to the final order of adoption, the adoption worker must notify the Adoption Subsidy Office. The adoption worker must complete and submit the DHS-4817, Adoption Assistance Change Request, a current DHS-959, Adoption Assistance Rate Determination Worksheet and a current DOC form (DHS-470, 470A, or 1945) to the Adoption Subsidy Office. The Adoption Subsidy Office will review the DOC assessment, the DHS-959 and all supporting documentation. The adoption assistance daily rate will be reviewed and a new DHS-4113, Adoption Assistance Agreement, will be issued with the adoption assistance maximum daily rate and an offered daily adoption assistance rate. If the DOC rate has decreased; the maximum adoption assistance rate will decrease, if the DOC has increased, the maximum adoption assistance rate will increase. After the DHS-4113 is issued, the adoption worker must review and discuss the offered ongoing daily adoption assistance rate with the adoptive family and follow steps five through seven under Rate

Determination Overview/Negotiation Process at the beginning of this section. The agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to the final order of adoption.

### **Standard maintenance Rate Increases after Adoptive Placement**

Adoption assistance standard maintenance rates automatically increase when the child has a birthday which would affect the standard maintenance adoption assistance rate or when the legislature authorizes an increase in the standard maintenance adoption assistance rate. DOC rates are set prior to the final order of adoption and are not subject to increases after the adoption finalization.

### **Renegotiation**

The ongoing daily adoption assistance rate may not exceed the maximum daily adoption assistance rate determined prior to the final order of adoption.

If the adoptive parent(s) agree to an ongoing adoption assistance rate that is less than the maximum adoption assistance daily rate indicated on the DHS-4113, they may request a renegotiation of the adoption assistance rate (up to the maximum adoption assistance daily rate determined by the Adoption Subsidy Office) when extraordinary circumstances occur that will impact the child's needs or family circumstances over an extended period of time, using the DHS-959, Adoption Assistance Rate Determination Worksheet.

**Note:** Supporting documentation is required.

If the adoptive family's circumstances change and the family decides that the ongoing daily adoption assistance rate may be reduced, they may request a reduction of the ongoing daily adoption assistance rate, at any time.

Requests for renegotiation must be made in writing and sent to:

Adoption Subsidy Office  
Michigan Department of Human Services  
235 S. Grand Ave., Suite 612  
P.O. Box 30037



Lansing, MI 48909

The effective date of a renegotiated adoption assistance rate is based on the date of approval from the Adoption Subsidy Office, but no more than 30 calendar days after the date the completed and signed DHS-959, Adoption Assistance Rate Determination Worksheet and supporting documentation were received by the Adoption Subsidy Office. The child is not eligible for an increased payment prior to the effective date. The renegotiated rate is activated when both the adoption subsidy program manager or DHS designee and the adoptive parent(s) have signed the new agreement.

**OTHER  
GOVERNMENT  
BENEFITS  
(SUPPLEMENTAL  
SECURITY INCOME  
BENEFITS (SSI),  
RSDI, VA)**

The adoptive parent(s) should apply to become the representative payee at the time of adoption of children who are eligible for SSI, RSDI, or VA benefits. Adoptive parents should contact their local Social Security Administration (SSA) office for SSI and RSDI. Parents may apply to become the representative payee for VA benefits by contacting the Veteran's Administration. The adoption worker must assist the family in applying for these benefits by providing the claim number under which benefits are received.

A child may be eligible for both adoption assistance payments and SSI. In the case of children who have been eligible for SSI prior to adoption, the adoptive parent(s) must notify the SSA office of the adoption placement at the time the order placing child is issued and the amount of the ongoing monthly adoption assistance payment. The SSA will determine the child's continued eligibility for SSI after placement and the amount of the SSI payment.

If adoptive parent(s) choose to continue payment through SSI and do not request adoption assistance before the final order of adoption, they will not be eligible for adoption assistance payments in the future, unless an administrative hearing determines an error had been made in the case. SSI payments may be reduced or ended if the parent's income increases in the future or if the child's medical condition changes. The adoption worker must discuss this information with the parent(s) prior to adoption placement so that

they can make an informed decision regarding an application for adoption assistance.

**MEDICAID  
ELIGIBILITY**

The adoption subsidy office determines whether or not a child qualifies for Medicaid through the adoption support subsidy program; see Bridges Eligibility Manual (BEM) 117, Department Wards, Title IV-E and Adoption Assistance Recipients.

**Title IV-E and Non-  
Title IV-E Support  
Subsidy Eligible**

Children who are eligible to receive a title IV-E funded or non-title IV-E funded adoption support subsidy are eligible for Medicaid through the adoption support subsidy program.

Children who qualify for a Post Placement-Extension may be eligible for Medicaid past age 18; see AAM 630, Post Placement-Extension.

Children who qualify for the Young Adult Adoption Assistance Extension program may be eligible for Medicaid past age 18; see AAM 631, Medicaid Eligibility.

**Not Eligible for  
Medicaid through  
Adoption Support  
Subsidy**

If an adopted child is not eligible for adoption support subsidy through the adoption subsidy program, the adoptive parent(s) may apply for Medicaid programs through the local DHS office.

**Eligibility During  
Adoption  
Supervision**

Medicaid for a child who is not eligible for adoption support subsidy will continue through the foster care program during the time between the order placing the child for adoption and the final order of adoption; see BEM 117. The local DHS office will maintain the Medicaid case. The adoptive parent's assets and income are not eligibility factors during the period of adoption supervision.

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## INTRODUCTION

Nonrecurring Adoption Expenses (NRE) program eligibility is based on specific eligibility requirements. Michigan law (MCL 400.115f, I) and the state's federally approved title IV-E plan provide the basis for this policy. The eligibility requirements include:

- A determination by the state that the child meets the definition of special needs.
- A DHS-4113, Adoption Assistance Agreement, or DHS-4814, NRE Application/Agreement for a Child Without Support Subsidy, signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption.

After eligibility is determined and the agreement is signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee, the Adoption Subsidy Office will determine allowable expenses claimed by the adoptive parent(s) or a third party that incurred expenses on behalf of the adoptive parent(s); see AAM 310, Nonrecurring Adoption Expenses Claim/Reimbursement.

Nonrecurring adoption expenses claims must be submitted to the Adoption Subsidy Office within two (2) years after the date of the final order of adoption; see AAM 310.

### Michigan Special Needs Requirements

Michigan has specific requirements to meet both the federal definition and the state's special needs eligibility criteria.

At the time of eligibility determination, the child must be a child with special needs. A child is considered a child with special needs if the Department of Human Services (DHS) has determined all of the following:

1. The child is **under age 18**.
2. The parental rights to the child have been terminated.
  - If an American Indian child can be adopted in accordance with tribal law without a termination of parental rights and the tribe has documented the valid reason why the child

cannot or should not be returned to the home of the parents, termination is not required.

3. The child has **one** of the following **specific factors or conditions**:

- Eligibility for Supplemental Security Income (SSI), based solely on the medical and disability requirements without regard to the SSI income requirements, as determined by the Social Security Administration.
- A DHS foster care level II or above Determination of Care (DOC) rate that meets all of the following:
  - Documented by the DHS-470, 470A, or 1945, and
  - Supported by the current foster care updated service plan (USP/PWSP), and
  - Approved in accordance with DHS foster care policy.
- The child is at least age three.
- The child is being adopted by a relative (within the 5th degree of consanguinity); see CFS Glossary.
- The child is being adopted by the parents of his/her previously adopted sibling.
- The child is a member of a sibling group being adopted together and at least one sibling group member has been determined eligible for nonrecurring adoption expenses and/or adoption support subsidy as an individual.

4. An effort to place the child without providing financial assistance is demonstrated by the adoptive parent(s) signature(s) in Section 1 of the DHS-4081, Adoption Assistance and Nonrecurring Adoption Expenses Intent Statement, or on the DHS-4814, Nonrecurring Adoption Expenses Application/Agreement for a Child Without Support Subsidy.

**Title IV-E Funding  
Requirements For  
Nonrecurring  
Expenses**

In addition to the child's special needs eligibility requirement, title IV-E funding requires the following criteria be met for NRE program eligibility:

- The child must be a U.S. citizen or qualified alien; see FOM 902.
- Background checks for all adults in the adoptive household must be completed. Details of the required background checks are in ADM 0520.
- Adult members of the adoptive household must not have any felony convictions for any of the following crimes:
  - Child abuse/neglect.
  - Spousal abuse.
  - A crime against children (including child pornography).
  - A crime of violence involving rape, sexual assault, or homicide but not including other physical assault or battery.
  - Within the last five years only: physical assault or battery, or a drug-related offense.

Nonrecurring adoption expenses reimbursement cannot be paid unless the above title IV-E funding requirements are met.

**Adoption by  
Birth/Legal  
Parent(s)**

Nonrecurring adoption expenses must not be approved for adoption by the child's biological parent(s) or legal parent(s) whose rights were previously terminated.

**Non-Michigan  
Ward**

If another state has responsibility for the placement and care of a ward, that state is responsible for determining the child's eligibility,

entering into an adoption assistance agreement and paying any qualifying nonrecurring adoption expenses reimbursement, even if the child is placed in an adoptive home in another state. If the other state does not have responsibility for placement and care of a child from that state, it is the prospective adoptive parents' state of residence where the application should be made. In that event, the public child welfare agency in the adoptive parents' state of residence is responsible for determining the child's eligibility, entering into the adoption assistance agreement and paying the nonrecurring adoption expenses.

Title IV-E prohibits the payment of title IV-E adoption assistance on behalf of an applicable child who is not a citizen or resident of the United States (U.S.) and was either adopted outside the U.S. or brought to the U.S. for the purpose of being adopted.

### **Application Process**

Applications for nonrecurring adoption expenses eligibility must be submitted to the Adoption Subsidy Office, and an agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order the adoption.

#### **Concurrent with adoption support subsidy application:**

- The adoption worker completes the DHS-1341, Adoption Assistance/or Medical Subsidy Application, and submits it to the Adoption Subsidy Office. The prospective adoptive parent(s) must sign section 1 of the DHS-4081, Adoption Assistance Intent Statement, in order to request NRE. Specific information provided for adoption support subsidy eligibility and title IV-E funding eligibility will also be used to determine NRE eligibility.

#### **Without concurrent adoption support subsidy application:**

- The adoption worker and the adoptive parent(s) complete and submit the DHS-4814, NRE Application /Agreement for A Child Without Support Subsidy.
- The DHS-4814, NRE Application/Agreement, must be signed by the prospective adoptive parent(s) requesting NRE.

- The DHS-4814 must be received by the Adoption Subsidy Office at least 30 calendar days prior to the final order of adoption date.

**Agreement**

A written agreement between the parent(s) and the department setting forth the nature of the payment and the claim process must be signed by both the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to the final order of adoption. The signed original agreement will be given to the adoptive parent.

- For children with approved adoption support subsidy, the agreement is the DHS-4113, Adoption Assistance Agreement.
- For children without approved adoption support subsidy, the agreement is the DHS-4814, Nonrecurring Adoption Expenses Application/Agreement for a Child Without Support Subsidy.

Detailed information about the agreement is in AAM 500, Adoption Subsidy Agreements - All Programs.



**PROCESS**

Nonrecurring adoption expenses (NRE) are reasonable and necessary fees and expenses directly related to the adoption process of a child with special needs.

Nonrecurring adoption expenses do not include costs or expenses incurred in violation of state or federal laws, such as fines or criminal court fees, or that have been reimbursed from other sources or funds.

The adoptive parent(s) or a third party, with the adoption worker's assistance, must claim expenses within two years of the child's final order of adoption date. If the expenses are not claimed within two years of the final order of adoption date, eligibility for reimbursement ends.

**Claim Forms**

Nonrecurring adoption expenses must be claimed on the DHS-4815, Parent Claim for Reimbursement of Nonrecurring Adoption Expenses, or the DHS-4816, Third Party Claim for Reimbursement of Nonrecurring Adoption Expenses. More than one DHS-4815 or DHS-4816 may be submitted for a child within the two-year period following the final order of adoption date, providing the expenses being claimed were not previously submitted.

**Third Party  
Reimbursement**

A third party is a party who has incurred NRE expenses directly related to the adoption process of a child with special needs on behalf of the adoptive family, with the family retaining ultimate responsibility for payment.

**Adoption  
Disruption/  
Dissolution**

If a child's adoption disrupts during the supervision period, the adoptive parent(s) or third party remain eligible for reimbursement of nonrecurring adoption expenses for two years after the date of the order placing child after consent.

If a child's adoption dissolves after the final order of adoption, the adoptive parent(s) or third party remain eligible for reimbursement

of nonrecurring adoption expenses for two years after the final order of adoption.

**Sibling Group  
Claims**

Claims for sibling groups must include a form for each child for court fees and the birth certificate expense. Other expenses (for example travel and adoptive family physicals) applying to the entire sibling group may be submitted on one of the sibling claim forms, providing total expenses related to the adoption process do not exceed the maximum allowable reimbursement of \$2,000 per child.

If the expenses exceed \$2,000 for one child, the expenses must be divided and reported on more than one of the sibling claim forms. Receipts or other appropriate documents must be attached to each sibling claim form.

**Child Not Placed  
for Adoption**

The claim/reimbursement process is not available to a family if the child who was certified eligible for the NRE program was never placed into adoption with the family by court order.

**Adoptive Parent  
Claim/  
Reimbursement**

Claim procedures for the family who has incurred or will incur expenses are as follows:

1. The adoptive parents complete, with the adoption worker's assistance, the DHS-4815, Parent Claim for Reimbursement of Nonrecurring Adoption Expenses. Attach a receipt or appropriate document for each expense incurred as outlined (see Required Reimbursement Documentation) and submit to the Adoption Subsidy Office within two years after the final order of adoption date or sooner.
2. The Adoption Subsidy Office determines the appropriate reimbursement amounts, authorizes the reimbursement and initiates payment to the family after the court order placing the child for adoption has been signed and a subsidy case is opened by the Adoption Subsidy Office.

**Third Party Claim/  
Reimbursement**

Claim procedures for a third party that has incurred NRE expenses on behalf of a family (who retains ultimate responsibility for payment), which are directly related to the adoption process of a special needs child are as follows:

1. The adoptive parent(s) and third party complete, with the adoption worker's assistance, the DHS-4816, Third Party Claim For Reimbursement of Nonrecurring Adoption Expenses. Attach a receipt or appropriate document for each expense incurred (as outlined in Required Reimbursement Documentation) and submit to the Adoption Subsidy Office within two years after the final order of adoption date or sooner.

If more than one third party has incurred expenses on behalf of a family, a DHS-4816 must be submitted for each third party and one for each child in a sibling group.

2. The Adoption Subsidy Office determines the appropriate reimbursement amounts, authorizes the reimbursement and initiates payment to the third party after the court order placing the child for adoption has been signed and a subsidy case is opened by the Adoption Subsidy Office.

**Unallowable  
Expenses**

Expenses which are **not** reimbursable include but are not limited to:

- Fees relating to prospective adoptive parent's birth certificate, marriage certificate, or divorce decree.
- Medical, psychological, clothing or camp expenses for the child being adopted.
- Entertainment mileage during visitations.
- Physical remodeling, renovation, and alterations of the adoptive parents' home or property to accommodate needs for the child within the family environment.
- Family counseling.
- Adoptive parent lost wages due to time off work.

**REQUIRED  
REIMBURSEMENT  
DOCUMENTATION****Birth Certificate  
(one per child)**

Copy of check, money order, or receipt for birth certificate. Expenses relating to a prospective adoptive parent's birth certificate are not reimbursable.

**Court**

Court receipt including child's or adoptive family's name or copy of adoptive parent's check to court, or copy of money order.

**Travel**

**Mileage-** Detailed travel log including dates traveled, addresses traveled to and from, and purpose of travel. Documentation that provides clear calculation of mileage such as MapQuest, Yahoo Maps, Google Maps, etc. Mileage must be approved by the worker for the purpose of visitation with the child or other reasonable mileage required by the adoption agency. Entertainment/excursion mileage, for visitations for example, is not reimbursable. The Adoption Subsidy Office will determine the reimbursable amount based on the state mileage rate in effect at the time of travel.

**Airfare-** A receipt showing passenger's name, flight dates, points of travel, and cost of ticket. Airfare may be reimbursable if determined necessary by the adoption worker for the purpose of visitation or court hearing. Airfare would typically apply to interstate travel of a prospective adoptive parent. Note: Prior to travel, adoption workers should contact the DHS Interstate Office regarding available transportation for a child over age five, or a child age five or under and a transporter (such as prospective adoptive parent) when a child is required to travel between Michigan and another state.

**Gas-** Gas expenses are not specifically reimbursable. Mileage reimbursement includes coverage for gas expenses.

**Bridge/Toll Fee-** Receipt showing fee paid. These expenses may be reimbursable if associated with mileage as described above.

**Lodging**

A receipt for lodging if the adoptive parent(s) travel is in excess of 50 miles from the family residence for the purpose of visiting the

child. The Adoption Subsidy Office will determine the reimbursable amount based on the state rate plus taxes in effect at the time of travel.

**Meals**

Travel must be for the purpose of visitation with the child or other travel required by the agency. A receipt for each meal for immediate family members and the child to be adopted plus the date of travel, the meal (breakfast, lunch or dinner) and the number of people for whom a meal was purchased is required. The maximum daily meal reimbursement rates for regular travel are indicated in the state rate schedule. Individual meal reimbursement will be based on the following schedule:

- Breakfast - When travel begins before 6 a.m. and extends beyond 8:30 a.m.
- Lunch - When travel begins before 11:30 a.m. and extends beyond 2 p.m.
- Dinner - When travel begins before 6:30 p.m. and extends beyond 8 p.m.

**Medical**

Reimbursable medical expenses are for adoption physicals only. Prescription costs are not reimbursable. A physician's invoice or an insurance explanation of benefits identifying the patient's name, date of services, description of service, and amount the family must pay is required.

**Psychological  
Evaluation**

Reimbursable expenses related to a psychological evaluation for a prospective adoptive parent when required by the adoption worker. A psychologist's invoice or insurance explanation of benefits identifying the adoptive parent's name, date of service, description of service, and the amount the family is responsible for and written correspondence from the adoption worker documenting agency's requirement for the evaluation is required.

**Adoptive Family  
Assessment**

Adoptive family assessments are completed without charge for adoption of state wards and permanent court wards in the state of Michigan. For non-state wards, a detailed invoice from the adoption agency describing the expense that was incurred by the adoptive family for an adoptive family assessment, and written correspondence from the adoption worker detailing the circumstances surrounding the necessity of the expense is required.

**Attorney Fees**

An invoice from the attorney including dates of service, description of services, amount billed for services, attorney's signature, and parent's signature verifying services. Reimbursable attorney fees are those incurred due to services to complete an adoption.

**Adoption  
Supervision**

Adoption supervision is completed without charge for state wards and permanent court wards placed in Michigan. For non-state wards or Michigan wards adopted outside the state of Michigan, a detailed invoice from the adoption agency where an expense was incurred by the adoptive family for adoption supervision must be submitted.

## MEDICAL SUBSIDY ELIGIBILITY

### Certification Criteria

A child may be eligible for an adoption medical subsidy if all of the following are met:

1. The child was in foster care through the Michigan public child welfare system at the time the petition for adoption was filed.
2. Certification was requested and approved before the child's 18th birthday.
3. The expenses to be covered by the medical subsidy are necessary because of an identified physical, mental, or emotional condition of the child which existed, or the cause of which existed, before the adoption petition was filed.

### Application

The application procedure for medical subsidy depends on whether the child's adoption is pending or the child has been legally placed in adoption. Procedures are as follows:

1. **For children whose adoption is pending**, the child's adoption worker shall submit a DHS-1341, Adoption Assistance and/or Medical Subsidy Application to the Adoption Subsidy Office.
2. **For children** whose Order Placing Child After Consent (PCA 320) or Order of Adoption (PCA 321) has been signed by the court, the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) must submit a DHS-1341A, Parent's Application for Adoption Medical Subsidy for An Adopted Child to the Adoption Subsidy Office. The adoption worker will assist the adoptive parent(s) by:
  - a. Providing the DHS-1341A form.
  - b. Assisting the parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with completing the form.
  - c. Informing the parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that the effective date of the agreement will be the date the DHS-1341A, Parent's

Application for Adoption Medical Subsidy for An Adopted Child, is received in the Adoption Subsidy Office, if the required documentation is received in the Adoption Subsidy Office within 90 calendar days of the application receipt date. The application will be denied if documentation is not received by the Adoption Subsidy Office within 90 calendar days of the application receipt date. In the event of a denial, the adoptive parent(s) may reapply for adoption medical subsidy.

## Documentation Requirements

Documentation requirements for medical subsidy certification include:

- **All documentation (with the exception of medical birth records of prenatal drug exposure) must be signed and dated within 12 months of the application date by the appropriate diagnosing professional:**
  - Physical conditions must be documented by licensed physicians.
  - Emotional conditions such as anxiety disorder, adjustment disorder, oppositional defiant disorder, post-traumatic stress disorder, or attachment disorder must be documented by a licensed psychologist, psychiatrist, licensed master's social worker, or physician. In cases where the diagnosing professional is not in Michigan, an equivalent state license is required.
  - Psychiatric conditions such as bipolar disorder or schizophrenia must be documented by a licensed psychiatrist, or a licensed psychologist.
  - Education/learning conditions such as mental impairment, speech and language impairment, learning disability, developmental delay/disorder, emotional impairment, or autism must be documented by a current Individual Education Program (IEP) or Individual Family Service Plan (IFSP) document or a comprehensive evaluation by a psychologist or psychiatrist.
  - Attention deficit disorder /attention deficit hyperactivity disorder must be documented by either a licensed physician or by a fully licensed psychologist or



psychiatrist. When the diagnosis is by a fully licensed psychologist, a comprehensive evaluation is required.

- Fetal alcohol spectrum disorder must be documented by a medical geneticist, a licensed physician, or a licensed psychiatrist.
- Hearing loss must be documented by an audiologist or licensed physician.
- Vision problems must be documented by an optometrist, ophthalmologist, or licensed physician.
- Motor impairments and sensory problems must be documented by a licensed physician.
- Prenatal drug exposure must be documented with lab reports or hospital records from the birth.
- Orthodontic problems must be documented by an orthodontist or dentist.
- **The documentation must identify the condition and, for an adopted child, explain how the condition, or its cause, existed prior to the adoption.**

The Adoption Subsidy Office will determine if the documentation submitted for any of the above conditions is sufficient to meet certification criteria for medical subsidy and may request additional documentation.

## OVERVIEW

The Redetermined Adoption Assistance program is a state-funded program. It is intended to allow a one-time eligibility determination per adoptee with an active adoption assistance agreement prior to January 1, 2015. Any child whose adoption is finalized on or after January 1, 2015 through Michigan's child welfare system is eligible to apply one time for an eligibility determination up to their child's 18th birthday. A redetermination of care rate is a supplemental payment that may be justified when extraordinary care and/or expenses are required. Documentation must verify that the extraordinary care and/or expenses are related to a condition that existed, or the cause of which existed, prior to the adoption and that the child's current adoption assistance rate does not include payment related to this condition. The condition must be verified by the appropriate licensed professional that practices in the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) state of residence.

**Note:** An application for this program may only be made one time per child. If an application is denied, subsequent applications will not be accepted.

### Program Administration

The DHS Adoption Subsidy Office administers this program and makes all decisions regarding eligibility for Michigan's adoption assistance programs and reimbursements.

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began on or after January 1, 2015**, may submit a one-time application for the Redetermined Adoption Assistance Program, if the adoptee has a condition that existed, or the cause of which existed prior to the adoption which requires extraordinary care and/or expenses and if the adoptee's current adoption assistance rate does not include payments related to this condition.

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with an open and active adoption assistance agreement in which **payment began prior to January 1, 2015**, may only submit a one-time application for the Redetermined Adoption Assistance Program between January 1, 2015 and March 31, 2015.

Adoptive parent(s) who receive a denial for adoption assistance **on or after January 1, 2015**, may submit a one-time application up to the child's 18th birthday for the Redetermined Adoption Assistance Program. The child must have been adopted from Michigan's child welfare system and have a condition that existed, or the cause of which existed prior to the adoption, which requires extraordinary care and/or expenses. The denial must notify the adoptive parent(s) of this program.

## PROGRAM ELIGIBILITY AND REQUIREMENTS

In order to be eligible for the Redetermined Adoption Assistance Program, documentation must show that extraordinary care and/or expenses are required of the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that are measurably greater than what was required at the time of adoption. The extraordinary care and/or expenses must be related to a condition(s) that existed, or the cause of which existed, prior to the adoption and must be documented by the appropriate licensed professional. One or more of the following eligibility criteria must be met:

- The child has a physical disability, or
- The child has diagnosed psychological or psychiatric needs, or
- The child has severe acting out or antisocial behavior, or
- The child requires a special diet.

**Note:** The child's special diet must require a more expensive than normal diet and extra time and effort by the adoptive parent.

**The Adoption Subsidy Office will determine if the documentation submitted is sufficient to meet eligibility criteria and may request additional documentation.** If additional information is requested by the Adoption Subsidy Office, the applicant must provide the information within 90 calendar days of the request or the application will be denied.

## Program Limitations

The Adoption Subsidy Office must take into account the determination of care rate that was in effect when the child exited foster care to adoption, when determining eligibility for this

program. If the child's current eligible maximum adoption assistance rate on an existing agreement includes a determination of care rate payment that is equal to the requested redetermined adoption assistance rate, the child is not eligible for a redetermined adoption assistance agreement.

When the rate on the child's adoption assistance agreement includes a determination of care rate, that amount will be deducted from the eligible redetermined adoption assistance rate.

The Adoption Subsidy Office will take into consideration if the child is currently eligible for medical subsidy services related to the condition(s) when determining eligibility for the redetermined adoption assistance program.

**Note:** A child who is not eligible for Medicaid through the Adoption Assistance Program may be eligible through their local county Department of Human Services.

## VERIFICATION OF ELIGIBILITY

The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) must provide the following to the Adoption Subsidy Office to apply for the redetermined adoption assistance program:

1. DHS-1260, Parent Application for Redetermined Adoption Assistance Program.
2. DHS-1261, Medical Needs form.
3. One of the following redetermination of care forms must be completed by the adoptive parent that he or she believes best describes their child's circumstances:
  - For children ages 0-12, the DHS-1262, Redetermined Adoption Assistance Determination of Care for Children 0-12, or
  - For children age 13 and older, the DHS-1263, Redetermined Adoption Assistance Determination of Care for Children 13+, or
  - For medically fragile children, the DHS-1264, Redetermined Adoption Assistance Determination of Care

for Medically Fragile Children Receiving Adoption Assistance.

**Note:** If requesting a rate above a level III rate, the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) must also complete and submit the DHS-959, Adoption Assistance Rate Negotiation/Determination Worksheet.

4. Supporting professional documentation which identifies the condition(s), explains how the condition(s) existed, or the cause of which existed prior to the adoption, and how the condition(s) result in **extraordinary** care and/or expenses by the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased).

All documentation must be signed by the appropriate diagnosing licensed professional from the state or jurisdiction where the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) resides. Documentation must be related to one or more of the following conditions:

- Medical/Physical conditions must be documented by licensed physicians and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent.
- Emotional conditions must be documented by a licensed psychologist, psychiatrist, or physician. The condition must be verified by the appropriate licensed professional that practices in the adoptive parent(s) state of residence. The documentation must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).

**Note:** If the licensed professional is not practicing in Michigan, they must possess an equivalent state or government issued license.

- Psychiatric conditions must be documented by a licensed psychiatrist, licensed psychologist and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Attention deficit disorder/attention deficit hyperactivity disorder must be documented by either a licensed physician or by a fully licensed psychologist or

psychiatrist. When the diagnosis is by a fully licensed psychologist, a comprehensive evaluation is required. Documentation must include details about the extraordinary care and/or expenses that are required of the adoptive parent(s).

- Education/learning conditions such as mental impairment, speech and language impairment, learning disability, developmental delay/disorder, emotional impairment, or autism must be documented by a current Individual Education Program (IEP) or Individual Family Service Plan (IFSP) document or a comprehensive evaluation by a psychologist or psychiatrist and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Fetal alcohol spectrum disorder must be documented by a medical geneticist, a licensed physician, or a licensed psychiatrist and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Hearing impairments must be documented by a licensed audiologist or licensed physician and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Vision impairments must be documented by a licensed optometrist, ophthalmologist, or physician and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).
- Motor impairments and sensory problems must be documented by a licensed occupational therapist or licensed physician and must provide details about the extraordinary care and/or expenses that are required of the adoptive parent(s).

**The Adoption Subsidy Office will determine if the documentation submitted is sufficient to meet eligibility criteria and may request additional documentation.** If additional information is requested by the Adoption Subsidy Office, the applicant must provide the information within 90 calendar days of the request or the application will be denied.

**Note:** If an application is denied, subsequent applications will not be accepted.

## REDETERMINED ADOPTION ASSISTANCE RATES

The following daily rates have been established for this program and are not subject to increases due to age:

Age or Special Need	Use Form	Level I	Level II	Level III
AGE 0-12	DHS-1262	\$5	\$10	\$15
AGE 13-18	DHS-1263	\$6	\$11	\$16
Medically Fragile	DHS-1264	\$8	\$13	\$18

**Note:** A level IV rate is negotiated between the adoptive parent(s) /legal guardian(s) (if adoptive parent(s) is/are deceased) and the Adoption Subsidy Office using the DHS-959, Adoption Assistance Rate Negotiation/Determination Worksheet. A level IV maximum daily rate will be based on the current foster care level IV rates; see FOM 905-3.

The Adoption Subsidy Office must take into account the determination of care rate that was in effect when the child exited foster care to adoption, when determining eligibility for this program. If the child's current eligible maximum adoption assistance rate on an existing agreement includes a determination of care rate payment that is equal to the requested redetermined adoption assistance rate, the child is not eligible for a redetermined adoption assistance agreement.

When the rate on the child's adoption assistance agreement includes a determination of care rate, that amount will be deducted from the eligible redetermined adoption assistance rate.

## REDETERMINED ADOPTION ASSISTANCE AGREEMENT

The redetermined adoption assistance agreement is a written agreement between DHS and the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) for an adoptive

child. This agreement enables an adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) to receive a supplemental adoption assistance payment related to a condition that requires extraordinary care and/or expenses that are not included in the current adoption assistance rate and/or covered by medical subsidy.

In order for a child to be certified for the redetermined adoption assistance program, eligibility must be determined by the Adoption Subsidy Office and the DHS-4113-RA, Redetermined Adoption Assistance Agreement, must be signed by the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) and the adoption subsidy program manager or DHS designee. The original agreement is returned to the adoptive parent(s) and the Adoption Subsidy Office maintains a copy of the agreement in the adoption assistance record.

### **Payment**

The redetermined adoption assistance payment is effective the date the adoption subsidy program manager or DHS designee signs the DHS-4113-RA, Redetermined Adoption Assistance Agreement.

Redetermined adoption assistance shall continue during a period in which the adoptee is removed, due to delinquency from his or her home as a temporary court ward, provided no grounds for discontinuance of payment exists.

### **AGREEMENT DURATION**

An adoptive parent must meet all of the responsibilities of their redetermined adoption assistance agreement to continue to receive assistance. Redetermined Adoption Assistance eligibility shall exist until one of the following events occurs:

- The child becomes age 18.
- The child has not yet reached age 18 but is emancipated by any of the following:
  - Court order.
  - Marriage.
  - Entering the military service.
- The child dies.



- The adoption is terminated.
- The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) have requested in writing that the redetermined adoption assistance payment permanently stop.
- A determination of ineligibility is made by the Department of Human Services. One or more of the following are reasons for a determination of ineligibility:
  - The adoptive parent dies, unless a full legal guardian is appointed by the court and requests continuation of the redetermined adoption assistance through the state-funded program.
  - The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) are no longer legally responsible for the support of the child.
  - The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) are not providing support for the child. This includes when the child is no longer residing in the adoptive or legal guardian's home.
- The child no longer requires extraordinary care and/or expenses.

## **ANNUAL REPORT REVIEWS**

The department will conduct annual reviews using the DHS-829, Redetermined Adoption Assistance Annual Review form to determine whether the adoptive parent(s) remain legally and financially responsible for the child. The form will be mailed to all adoptive parents who only receive redetermined adoption assistance.

## **FUNDING SOURCE**

The redetermined adoption assistance program is a state-funded program. Should the legislature fail to appropriate sufficient funding for the continuation of this program, payment would be discontinued.

**DENIAL AND  
APPEALS**

If the redetermined adoption assistance application is denied, the Adoption Subsidy Office will provide the DHS-1265, Redetermined Adoption Assistance Denial Notice, to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see AAM 700, Administrative Hearings.

If the child's current eligible maximum adoption assistance rate already includes a determination of care rate, that is equal to the requested redetermined adoption assistance rate, then a denial for redetermined adoption assistance will be issued.

An application for this program is limited to one time per child. If the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) previously applied for the Redetermined Adoption Assistance Program for the child then any new applications will be denied.

**EXTENSION FOR  
CHILDREN  
ADOPTED AT AGE 0-  
15**

The redetermined adoption assistance agreement expires on the child's 18th birthday. The expiration of the agreement causes the redetermined adoption assistance payments to end. The Adoption Subsidy Office shall send an informational letter to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) prior to the child's 18th birthday. The letter explains that the redetermined adoption assistance will end when the child turns 18 and includes the eligibility requirements for an extension.

**EXTENSION  
ELIGIBILITY  
REQUIREMENTS  
FOR CHILDREN  
ADOPTED AT AGE 0-  
15**

A state-funded extension of redetermined adoption assistance may be authorized to the age of 19, or high school graduation, or GED,

or certificate of completion for students receiving special education services whichever is earliest or when the department determines that the child has a mental or physical disability that warrants continuation of redetermined adoption assistance., The child must meet all of the following eligibility criteria:

- A redetermined adoption assistance agreement was in place through the adoptee's 18th birthday.
- The adoptee is age 18 and has not completed high school or a GED program and has not obtained a certificate of completion for students receiving special education services.
- The adoptee is regularly attending high school, or a GED program or a program for children with disabilities on a full-time basis and progressing toward achieving a high school diploma, certificate of completion or GED or the Adoption Subsidy Office determines that the child has a disability which warrants continuation of redetermined adoption assistance based on a specific physical, mental or emotional disability of such severity or kind that it would constitute a significant obstacle to the child's independence. Such conditions include, but are not limited to:
  - Any medical condition which will require repeated or frequent hospitalization, treatment or follow-up care, for example, cancer, diabetes, epilepsy.
  - Any physical handicap, by reason of physical defect or deformity, whether congenital or acquired by accident, injury or disease, that existed, or the cause of which existed, prior to the adoption which makes a child totally or partially incapacitated as described in R340.1709 of the Michigan Special Education Rules; or makes a child eligible for Children's Special Health Care Services (CSHCS) administered by the Michigan Department of Community Health or the equivalent program in the child's state of residence. Examples are cerebral palsy, paraplegia, quadriplegia, blindness, deafness, or hydrocephalus.
  - Any substantial disfigurement, such as the loss or deformity of facial features, torso or extremities, for example, burn scars, or amputations.

- A diagnosed personality or behavioral problem, psychiatric disorder, serious intellectual incapacity or brain damage which seriously affects the child's ability to relate to their peers and/or authority figures, including mental impairment or developmental disability, for example, schizophrenia, pervasive developmental disorder, traumatic brain injury, moderate-severe mental impairment or emotional impairment.
- The adoptee is not eligible for SSI (Supplemental Security Income).
- The adoptee continues to require extraordinary care and/or expenses

### **Extension Documentation Requirements**

After receipt of the letter notifying the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) of the termination of redetermined adoption assistance at age 18, the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) may request an extension by providing required documentation to the Adoption Subsidy Office. The appropriate application(s) and documentation forms will be provided to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with the termination letter. The required documentation must be received by the adoption subsidy office within 90 calendar days of the child's 18th birthday. In all cases, an extension will not be granted if all of the required documentation is not received by the Adoption Subsidy Office within 90 calendar days following the child's 18th birthday.

### **Extension Application**

In order for a determination of eligibility to be made for an extension of the redetermined adoption assistance the following documents are required:

- DHS-1282, Redetermined Adoption Assistance Extension Application.

- DHS-3380, Verification of Student Information or DHS-54, Medical Needs, if the child is unable to attend school due to specific physical, mental or emotional disability of such severity or kind that it would constitute a significant obstacle to the child's independence.
- One of the following redetermination of care forms must be completed by the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that he or she believes best describes their child's circumstances:
  - The DHS-1263, Redetermined Adoption Assistance Determination of Care for Children 13+, or
  - For medically fragile children, the DHS-1264, Redetermined Adoption Assistance Determination of Care for Medically Fragile Children Receiving Adoption Assistance.

The maximum redetermined adoption assistance extension rate is the rate on the original redetermined adoption assistance agreement.

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) shall submit additional documentation if a child has not graduated by the date reported on the DHS-3380.

### ***Home Schooling***

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) who are requesting an extension of the redetermined adoption assistance for a child who is being educated at home must submit the following additional information to the Adoption Subsidy Office with the extension application:

A copy of the child's organized individual educational curriculum for the time period 9th grade through 12th grade. The individual education curriculum must include instruction in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English; See [www.michigan.gov/npshts](http://www.michigan.gov/npshts).

**EXTENSION  
AGREEMENT FOR  
CHILDREN  
ADOPTED AT AGE 0-  
15**

Adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) are sent the DHS-4113-RAE, Redetermined Adoption Assistance Extension Agreement, which must be signed, witnessed, and returned to the Adoption Subsidy Office within 90 calendar days of the agreement issuance date. Redetermined adoption assistance extension payments begin after the adoption subsidy program manager or DHS designee signs the extension agreement(s); see AAM 500, Agreement Procedures.

**TERMINATION OF  
EXTENSIONS FOR  
FOR CHILDREN  
ADOPTED AT AGE 0-  
15**

For an adoptee over 18 years of age, a state-funded redetermined adoption assistance extension agreement shall terminate and will not be reinstated when one of the following occurs:

- The child is no longer attending high school, a GED program, or a program for children with disabilities on a regular, full-time basis.
- The child completes or withdraws from high school, a GED program or a program for children with disabilities.
- The child is still attending high school or a GED program or a program for children with disabilities on a full-time basis and reaches age 19.
- The child who was unable to attend school due to specific physical, mental or emotional disability of such severity or kind that it would constitute a significant obstacle to the child's independence reaches age 19.
- The child is determined eligible for Supplemental Security Income (SSI) by the Social Security Administration.

- The adoptive parent(s) or legal guardian(s) (if adoptive parent(s) is/are deceased) is no longer providing any support to the child.
- The child no longer requires extraordinary care and/or expenses.

Adoptive parents or guardians must notify the Adoption Subsidy Office in writing within 30 calendar days after any of the above changes occur. Recoupment procedures will be followed for over-payments.

#### **EXTENSION FOR YOUTH ADOPTED AT AGES 16-17**

The redetermined adoption assistance agreement expires on the child's 18th birthday. The expiration of the agreement causes redetermined adoption assistance payments to end. The Adoption Subsidy Office sends an informational letter to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) prior to the youth's 18th birthday. The letter explains that the redetermined adoption assistance will end when the youth turns 18 and includes the eligibility requirements for an extension. The youth must be in school, in job training, employed or is incapable due to a documented medical condition.

#### **EXTENSION ELIGIBILITY REQUIREMENTS FOR YOUTH ADOPTED AT AGES 16-17**

A state-funded extension may be authorized to age 21 if the youth meets all of the following requirements:

1. A redetermined adoption assistance agreement was in place through the youth's 18th birthday.
2. The youth was adopted on or after his/her 16th birthday.
3. The youth is now between the ages of 18 and 20, and requests to extend redetermined adoption assistance payments to the age of 21.

4. The youth and adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) have signed a DHS-1339-RYA, Redetermined Young Adult Adoption Assistance Extension Application.
5. The youth meets at least one of the conditions listed below:
  - Actively completing high school or a program leading to a general equivalency diploma (GED) exam.
  - Enrolled at least part-time in a college, university, vocational program or trade school.

**Note:** A youth who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school.

- Employed in either full- or part-time work, or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program). Participation must be at least 80 hours per month and may be at one or more places of employment, and/or a combination of any of the above activities.
  - Incapable of any of the above educational or employment activities due to a specific physical, mental or emotional condition or disability of such severity or kind that it would constitute a significant obstacle to the child's independence.
6. The youth continues to have extraordinary care and/or expenses.
  7. The submitted DHS-1339-RYA, Redetermined Young Adult Adoption Assistance Extension Application, is reviewed by the Adoption Subsidy Office and an agreement is issued, if the youth meets the requirements of the program. The youth and the adoptive parent(s) must sign the DHS-4113-RYA, Redetermined Young Adult Adoption Assistance Extension Agreement. If the youth was eligible for redetermined adoption assistance with a legal guardian(s) (if adoptive parent(s) is/are deceased) the youth and the guardian(s), must sign the DHS-1321-RYA, Redetermined Young Adult Adoption Assistance Guardian Extension Agreement.



**Documentation  
Requirements**

After receipt of the letter notifying the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) of the termination of redetermined adoption assistance at age 18, the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) may request an extension by providing required documentation to the Adoption Subsidy Office. The appropriate application(s) and documentation forms will be provided to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with the termination letter. The required documentation must be received by the adoption subsidy office within 90 calendar days of the child's 18th birthday. In all cases, an extension will not be granted if all of the required documentation are not received by the Adoption Subsidy Office within 90 calendar days following the child's 18th birthday.

**Application for  
Extension**

Adoptive parents/legal guardian(s) (if adoptive parent(s) is/are deceased) of youth who exited foster care to an adoption (Order Placing Child After Consent) between the ages of 16 and 18 and continued to receive redetermined adoption assistance until their 18th birthday, may apply for a Redetermined Young Adult Adoption Assistance Extension if the youth is under the age of 21 and meets the program requirements.

The DHS-1339-RYA, Redetermined Young Adult Adoption Assistance Extension Application, and DHS-628-RYA, Redetermined Young Adult Extension Notice, will be mailed to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) prior to the youth's 18th birthday. The notice will explain that the redetermined adoption assistance payments will end when the adoptee reaches age 18 unless an extension agreement is in place. An explanation of the eligibility, application, and documentation requirements for extension requests will be included with the notice.

If an incomplete redetermined adoption assistance extension application is submitted to the Adoption Subsidy Office, the adoption subsidy worker must respond in writing with the DHS-1314-RYA, Redetermined Young Adult Adoption Assistance Extension Missing Documentation Notice, within 14 calendar days of receipt of the application. The DHS-1314-RYA will clarify the

documentation requirements and notify the adoptive parent(s)/guardian(s) of any missing application or verification information. The adoptive parent(s)/guardian(s) will have 30 calendar days following the date of the DHS-1314-RYA to provide the missing documentation for the application to be processed with an effective date of the young adult's 18th birthday.

If the adoptive parent(s)/guardian(s) does not provide the missing documentation within this time frame, the application will be denied and the adoptive parent(s)/guardian(s) will need to re-apply. Once a complete application with required documentation is received by the Adoption Subsidy Office, the department will process the application within 30 calendar days. The effective date will be the date the completed application was received in the Adoption Subsidy Office.

If a redetermined adoption assistance extension application is denied, the Adoption Subsidy Office will provide a denial notice to the adoptive family or legal guardian(s) (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see AAM 700, Administrative Hearings.

### **Eligibility verification**

The following must be provided to the Adoption Subsidy Office to apply for a Redetermined Young Adult Adoption Assistance Extension:

- DHS-1339-RYA, Redetermined Young Adult Adoption Assistance Extension Application.
- One or more of the appropriate verification forms to document eligibility must be completed and returned with the DHS-1339-RYA:
  - DHS-3380, Verification of Student Information (may be used to verify vocational training).
  - DHS-38, Verification of Employment.
  - DHS-54A, Medical Needs.
- One of the following redetermination of care forms must be completed by the adoptive parent(s)/legal guardian(s) (if

adoptive parent(s) is/are deceased) that he or she believes best describes their child's circumstances:

- The DHS-1263, Redetermined Adoption Assistance Determination of Care for Children 13+, or
- For medically fragile children, the DHS-1264, Redetermined Adoption Assistance Determination of Care

### ***Home Schooling***

Adoptive parents or legal guardians who are requesting an extension of the redetermined adoption assistance for a youth who is being educated at home must submit the following additional information to the adoption subsidy office with the extension application:

A copy of the youth's comprehensive individual educational curriculum for the time period of 9th grade through 12th grade. The individual education curriculum must include instruction in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English; see [www.michigan.gov/npshts](http://www.michigan.gov/npshts).

### **EXTENSION AGREEMENTS FOR YOUTH ADOPTED AT AGES 16-17**

After an extension is approved by the Adoption Subsidy Office, the DHS-4113-RYA, Redetermined Young Adult Adoption Assistance Extension Agreement, will be mailed to the adoptive parent(s) or the DHS-1321-RYA, Redetermined Young Adult Adoption Assistance Guardian Extension Agreement will be mailed to the legal guardian(s) (if adoptive parent(s) is/are deceased) and the youth for signatures. The signed agreement must be returned to the Adoption Subsidy Office within 30 calendar days of the agreement issuance date and must be signed by the Adoption Subsidy Office Manager before the extension payments are authorized. If the agreement is missing information, the DHS-791-RYA, Redetermined Young Adult Adoption Assistance Extension Agreement(s)-Incomplete Notice will be sent to the adoptive parent(s) or legal guardian(s) (if adoptive parent(s) is/are deceased). If the agreement is not received within 30 calendar days of the agreement issuance date or the date of the DHS-791-RYA,

the effective date will be the date the agreement was received by the Adoption Subsidy Office.

### GRACE PERIOD FOR YOUTH ADOPTED AT AGES 16-17

A grace period is the period of time after the youth ceases to meet the educational, employment, and/or incapacitating medical condition requirements. Grace periods are to be applied based on the following:

- Youth are allowed a 30-day grace period in which to re-establish eligibility.
- Youth are allowed up to three grace periods per fiscal year.
- The grace period begins the day immediately following the day the youth becomes ineligible, whether or not it is reported timely.
- The Redetermined Young Adult Adoption Assistance Extension payments continue during the grace period.

The adoptive parent(s) or legal guardian(s) (if adoptive parent(s) is/are deceased) must contact the Adoption Subsidy Office to discuss ways in which the youth could meet the requirements or the assistance will terminate at the end of the grace period. The Adoption Subsidy Office will monitor and track the time frame for the grace period.

A grace period cannot be used for youth who become ineligible due to one of the following circumstances:

- Reaches his or her 21st birthday.
- Enters military service.

**Exception:** Membership in the Reserve Officers' Training Corps (ROTC) or the reserve component of the Armed Forces; such as, Army National Guard of the United States, Air Force Reserve, and Coast Guard Reserve does not disqualify a youth from the Redetermined Young Adult Adoption Assistance Extension, unless participation requirements exceed 21 consecutive calendar days of active duty or training responsibilities.

- Marries.
- Begins receiving federal Supplemental Security Income (SSI) payments.
- Is living with his/her biological parent(s).
- Dies.

#### TERMINATION OF EXTENSION FOR YOUTH ADOPTED AT AGES 16-17

DHS may terminate the DHS-4113-RYA, Redetermined Young Adult Adoption Assistance Extension Agreement or DHS-1321-RYA, Redetermined Young Adult Adoption Assistance Guardian Agreement and payments will end, if the youth becomes ineligible. Ineligibility occurs when the youth:

- Discontinues his/her educational, vocational or trade program and does not re-enter a similar program or meet another eligibility requirement within the 30 calendar day grace period.

**Note:** A youth who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school.

- Is no longer employed at least 80 hours per month or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program), and has not met one of the other eligibility requirements within the 30 calendar day grace period.
- Is no longer deemed incapable due to a medical condition and does not meet one of the other eligibility requirements within the 30 calendar day grace period.
- Is incarcerated for more than 30 calendar days.
- Is living with his/her biological parent(s).
- Reaches his or her 21st birthday.
- Marries.

- Enters military service.
- No longer eligible for the Adoption Assistance Young Adult Program.
- No longer requires extraordinary care and/or expenses.

**Exception:** Membership in the Reserve Officers' Training Corps (ROTC) or the reserve component of the Armed Forces; such as, Army National Guard of the United States, Air Force Reserve, and Coast Guard Reserve does not disqualify a youth from the Young Adult Adoption Assistance Extension, unless participation requirements exceed 21 consecutive calendar days of active duty or training responsibilities.

- Begins receiving federal Supplemental Security Income (SSI) payments.
- Dies.

The DHS Adoption Subsidy Office shall send written notification of termination of the redetermined adoption assistance by mail to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased). This written notification shall include a statement of the department's reason for termination and rights to an administrative hearing; see AAM 700, Administrative Hearings.

#### RE-ENTERING THE REDETERMINED YOUNG ADULT ADOPTION ASSISTANCE EXTENSION PROGRAM

To re-enter the Redetermined Young Adult Adoption Assistance Extension program, the adoptive parent or legal guardian(s) (if adoptive parent(s) is/are deceased) must contact his/her subsidy worker for an application and required verification forms or locate this information on the DHS website, and then submit this documentation to the Adoption Subsidy Office. The adoptive parent/guardian may re-apply for an adoptee to re-enter the Redetermined Young Adult Adoption Assistance Extension program if the Order Placing Child After Consent was signed after the youth's 16th birthday and the youth is under the age of 21, and

the Redetermined Young Adult Adoption Assistance Extension was terminated when the youth:

- Discontinued his/her educational, vocational or trade program and did not re-enter a similar program or meet another eligibility requirement within the 30 calendar day grace period.
- Was no longer employed at least 80 hours per month or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program), and did not meet one of the other eligibility requirements within the 30 calendar day grace period.
- Was no longer deemed incapable due to a medical condition and did not meet one of the other eligibility requirements within the 30 calendar day grace period.
- Was incarcerated for more than 30 calendar days.

The youth may re-enter the Redetermined Young Adult Adoption Assistance Extension program if he/she is under the age of 21 and meets the eligibility requirements of the program.

If an extension application is denied, the Adoption Subsidy Office will provide a denial notice to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see AAM 700, Administrative Hearings.

## **RECOUPMENT**

Recoupment for overpayments will be pursued from the payee retroactively to the date that eligibility ceased to exist: see AAM 140, Recoupment.

## INTRODUCTION

State law requires that the Department of Human Services (DHS) enter into DHS-4113, Adoption Assistance Agreement, DHS-4814, Nonrecurring Adoption Expenses Agreement and DHS-3013, Adoption Medical Subsidy Agreement with adopting parent(s) as a condition of eligibility for:

- Adoption assistance.
- Nonrecurring adoption expenses.
- Adoption assistance-related Medicaid.
- Adoption medical subsidy.

Adoption assistance agreements include the agreement provisions and are legally binding arrangements between the department and the adoptive parent(s).

## AGREEMENT PROVISIONS

### Adoption Assistance/ Nonrecurring Adoption Expenses

The following provisions are included in the Adoption Assistance Agreement (DHS-4113):

- Type of assistance to be paid.
- Maximum adoption assistance rate.
- Amount of negotiated ongoing daily adoption assistance rate agreed to by the adoptive parent(s) and DHS.
- Any services and other assistance to be provided under the agreement.
- Provisions for the protection of the interests of the child in cases where the adoptive parent(s) and child move to another state while the agreement is in effect.
- Nature and amount of nonrecurring adoption expenses to be paid.
- Medicaid eligibility.



- Conditions for continued payment of adoption assistance.
- Legislative increases and decreases that affect all cases.
- Duration of the ongoing adoption assistance payment.

**Note:** If a service specified in the agreement is not available in the state of residence, the state making the original adoption assistance payment remains financially responsible for providing the specified service.

### Adoption Medical Subsidy

The following provisions are included in adoption medical subsidy agreement:

- Covered medical conditions.
- Conditions for continued payment.
- Continuation of eligibility regardless of a change in state residency.
- Duration of the agreement.
- Reimbursement requirements.

## OBTAINING AGREEMENTS

### Adoption Assistance Agreement

The DHS-4113, Adoption Assistance Agreement, is issued by the Adoption Subsidy Office. The adoption worker applies for this agreement by submitting a DHS-1341, Adoption Assistance and/or Medical Subsidy Application and the DHS-959, Adoption Assistance Rate Determination Worksheet to the Adoption Subsidy Office.

Ongoing daily adoption assistance is paid in the amount negotiated between the adoptive parent(s) and DHS, up to the maximum daily amount entered by the Adoption Subsidy Office on the DHS-4113. For details of the rate determination process; see AAM 210.

An adoption assistance agreement must be signed by both the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to the final order of adoption. If the adoption assistance agreement is signed prior to the date of the adoptive

placement, adoption assistance payment is effective on the date of adoptive placement or the date of the PCA 320, Order Placing Child After Consent, whichever is later.

If the adoption assistance agreement is signed after the date of the PCA 320, Order Placing Child After Consent, but before the final order of adoption, adoption assistance payment is effective on the date the agreement is signed by the adoption subsidy program manager or DHS designee.

### **Nonrecurring Adoption Expenses (NRE) Agreement**

The adoptive parent(s) and DHS enter into an agreement for reimbursement of nonrecurring adoption expenses as a result of submission and approval of either the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, or the DHS-4814, Nonrecurring Adoption Expenses Application/Agreement for a Child Without Adoption Assistance. Approval of the DHS-1341 application results in the issuance of the DHS-4113, Adoption Assistance Agreement, for children determined eligible. Approval of the DHS-4814 includes entry into the agreement, for children determined eligible. For details of the nonrecurring adoption expenses program; see AAM 310.

All nonrecurring adoption expenses agreements must be signed by both the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to the final order of adoption. If the final order of adoption is signed by the court prior to completion of all signatures on the agreement, reimbursement is **not** available.

### **Adoption Medical Subsidy Agreement**

The DHS-3013, Adoption Medical Subsidy Agreement, is issued by the Adoption Subsidy Office after approval of the DHS-1341, Adoption Assistance and/or Medical Subsidy Application, or DHS-1341A, Parent's Request for Medical Subsidy for An Adopted Child. Prior to adoptive placement, the adoption worker applies for medical subsidy by submitting the DHS-1341 to the Adoption Subsidy Office. After adoptive placement, the adoptive parent(s) apply for medical subsidy by submitting the DHS-1341A to the Adoption Subsidy Office.

The adoption medical subsidy agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee after the child's eligibility has been determined by the Adoption Subsidy Office. If the adoption medical subsidy agreement is signed by all parties on or before the court's signature on the PCA-320, Order Placing Child After Consent, the effective date of the agreement will be the date of adoptive placement.

If the adoption medical subsidy agreement is signed after the court's signature on the PCA-320, Order Placing Child After Consent, the effective date of the agreement will be the date of the adoptive placement or the date entered on the agreement by the Adoption Subsidy Office.

**Note:** If the medical subsidy agreement has not been signed by the prospective adoptive parent(s) and returned to the Adoption Subsidy Office within 90 calendar days of the issuance of the agreement, the adoption worker must submit a DHS-4817, Adoption Subsidy Program Change Request to request a new agreement. For medical subsidy agreements issued after adoptive placement, if the agreement has not been signed by the adoptive parent(s) and returned to the Adoption Subsidy Office within 90 calendar days of the issuance of the agreement, the adoptive parent will have to reapply for medical subsidy.

Medical bills will not be processed for payment until the adoptive parent(s) and the adoption subsidy program manager or DHS designee have signed the agreement and the DHS-1344, Adoption Assistance Case Opening Request, has been processed by the Adoption Subsidy Office.

## AGREEMENT PROCEDURES

### Adoption Assistance/Non- Recurring Expenses and Pre- Adoption Medical Subsidy

The Adoption Subsidy Office:

- Prepares the appropriate agreement(s) for the child. The Adoption Subsidy Office determines the maximum adoption assistance daily rate. The rate shall not exceed the foster care

rate which was paid, or would have been paid if the child had been in a foster family home. The Adoption Subsidy Office reviews the information contained in the completed DHS-959, including the rate requested by the prospective adoptive parent(s) and may either accept the requested rate or determine and offer a new rate based on the information provided.

- Sends the adoption assistance agreement to the adoption worker with the DHS-3012, Adoption Assistance Agreement - Parent and Adoption Worker Instructions.
- Sends the adoption medical subsidy agreement to the adoption worker with the DHS-3012-2, Adoption Medical Subsidy Agreement Transmittal.

The adoption worker:

- The adoption worker must meet with the prospective adoptive parent(s) to discuss the offered rate and review the adoption assistance agreement within seven calendar days; see AAM 210, Rate Determination Overview/Negotiation Process.
- Assists the parent(s) in completing the agreement(s) according to the instructions on the DHS-3012, Adoption Assistance Agreement - Parent and Adoption Worker Instructions.
- Returns the signed agreement(s) to the Adoption Subsidy Office with a copy of the DHS-3012 attached.
- If the agreement(s) have not been signed by the prospective adoptive parent within 90 calendar days of the issuance of the agreement(s), the adoption worker must submit a DHS-4817, Adoption Subsidy Program Change Request with a current determination of care (DOC) assessment and the DHS-959, Adoption Assistance Rate Determination Worksheet to the Adoption Subsidy Office and if eligible, a new agreement will be issued, according to AAM 210.

The Adoption Subsidy Office:

- Reviews the signed agreement(s) for completeness and accuracy:
- The adoption subsidy program manager or DHS designee signs the agreement and returns the original signed

**Non-Recurring  
Expenses without  
Adoption  
Assistance**

agreement(s) to the adoption worker and maintains a copy in the adoption assistance record.

The adoption worker:

- Gives the adoptive parent(s) their original signed agreement(s).
- Proceeds with the adoption process.

The application process consists of:

- The adoptive parent(s) must sign the DHS-4814, Non-Recurring Expenses Eligibility Certification Request/Agreement For A Child Without Adoption Assistance, before the DHS-4814 is submitted to the Adoption Subsidy Office; see AAM 300 for non-recurring adoption expenses eligibility.
- After eligibility is approved, the Adoption Subsidy Office enters into the agreement by signing the DHS-4814.
- The Adoption Subsidy Office returns the original signed DHS-4814 and a cover letter to the adoption worker and maintains a copy in the adoption assistance record.
- The adoption worker gives the adoptive parent(s) their original signed DHS-4814.

**Post-Adoption  
Medical Subsidy**

The Adoption Subsidy Office:

- Prepares the DHS-3013, Adoption Medical Subsidy Agreement.
- Sends the agreement to the adoptive parent(s) with the DHS-3012-3, Adoption Medical Subsidy Agreement Transmittal.

The adoptive parent(s):

- Reviews the agreement, signs, and has a witness sign the agreement, following the instructions on the DHS-3012-3, Adoption Medical Subsidy Agreement Transmittal.

- Returns the signed agreement to the Adoption Subsidy Office with a copy of the DHS-3012-3, Adoption Medical Subsidy Agreement Transmittal.

The Adoption Subsidy Office:

- Reviews the agreement for completeness and accuracy:
- Obtains the authorized DHS designee signature on the agreement.
- Returns the original signed agreement to the adoptive parent(s) and maintains a copy in the adoption assistance record.

## ASSISTANCE AGREEMENT SIGNATURES

### Adoption Assistance/ Nonrecurring Adoption Expenses

An adoption assistance agreement must be signed by both the adoptive parent(s) and the adoption subsidy program manager or DHS designee **prior** to the final order of adoption. If the adoption assistance agreement is signed **prior** to the date of the adoptive placement, adoption assistance payment is effective on the date of adoptive placement or the date of the PCA 320, Order Placing Child After Consent, whichever is later.

If the adoption assistance agreement is signed **after** the date of the PCA 320, Order Placing Child After Consent, but **before** the final order of adoption, adoption assistance payment is effective on the date the agreement is signed by the adoption subsidy program manager or DHS designee.

### Adoption Medical Subsidy

**An adoption medical subsidy agreement can be signed any time after the child is certified eligible, prior to the child's 18th birthday.** If the adoption medical subsidy agreement is signed **before** the date of the adoptive placement, the effective date of the

agreement will be the date of the PCA-320, Order Placing the Child After Consent.

If the adoption medical subsidy agreement is signed **after** the adoptive placement, the effective date of the agreement will be the date of the PCA-320, Order Placing the Child After Consent, or the date entered on the agreement by the Adoption Subsidy Office, whichever is later.

**Note:** If the medical subsidy agreement has not been signed by the prospective adoptive parent(s) and returned to the Adoption Subsidy Office within 90 calendar days of the issuance of the agreement, the adoption worker must submit a DHS-4817, Adoption Subsidy Program Change Request to request a new agreement. For medical subsidy agreements issued after adoptive placement, if the agreement has not been signed by the adoptive parent(s) and returned to the Adoption Subsidy Office within 90 calendar days of the issuance of the agreement the adoptive parent will have to reapply for medical subsidy.

**INTRODUCTION**

This section addresses policy regarding cases for children who have been placed for adoption (Order Placing Child After Consent, PCA 320, has been signed by the court). It covers support subsidy, nonrecurring adoption expenses, and medical subsidy policies.



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## CASE OPENING

### Adoption Assistance and Pre-Adoption Medical Subsidy

The adoption worker is responsible for informing the adoption subsidy office of the child's adoptive placement immediately after the PCA 320, Order Placing Child After Consent has been signed. Adoption assistance, nonrecurring adoption expenses and/or adoption medical subsidy case opening is processed when all of the following have been completed:

- A subsidy agreement is signed by the adoptive parent(s) and the Department of Health and Human Services designee.
- The adoption worker has submitted the DHS-1344, Adoption Subsidy Case Opening Request, signed by the adoptive family, to the adoption subsidy office.

**Note:** The DHS-1344 is required to initiate the adoption assistance payment and to determine the appropriate funding source for the adoption assistance (title IV-E or state funds).

- The adoption worker has submitted a copy of the PCA 320, Order Placing Child After Consent or the PCA 321, Order of Adoption to the adoption subsidy office.

**Note:** In **all** adoption assistance cases and for adoption medical subsidy cases requested prior to adoption, the adoption worker must send a copy of the PCA 321, Order of Adoption to the adoption subsidy office when the adoption is finalized.

- The child's MiSACWIS record has been updated.

### Nonrecurring Adoption Expense (NRE) Case Opening

#### ***NRE with Adoption Assistance or Adoption Medical Subsidy***

The Adoption Subsidy Office opens the Nonrecurring Adoption Expenses (NRE) case at the same time as the adoption assistance and/or adoption medical subsidy case. The office initiates the

reimbursement process for NRE when a claim is received from the family. (See AAM 310, NRE Claim/Reimbursement.)

***NRE without Adoption Assistance or Adoption Medical Subsidy***

To open an NRE-only case, the adoption worker must submit the DHS-1344, Adoption Subsidy Case Opening Request and a copy of the PCA 320, Order Placing Child After Consent or PCA 321, Order of Adoption to the adoption subsidy office. The office initiates the reimbursement process when a claim is received from the adoptive family. (See AAM 310, NRE Claim/Reimbursement.)

**ADOPTION  
ASSISTANCE  
DURATION**

Adoption assistance eligibility shall exist until one of the following events occurs:

- The child becomes age 18.
- The child has not yet reached age 18 but is emancipated by any of the following:
  - Court order.
  - Marriage.
  - Entering the military service.
- The child dies.
- The adoption is terminated.
- The adoptive parent has requested in writing that the adoption assistance payment permanently stop.
- A determination of ineligibility is made by the Department of Health and Human Services. One or more of the following are reasons for a determination of ineligibility:
  - The adoptive parent dies, unless a full legal guardian is appointed by the court and requests continuation of the adoption assistance through the state-funded program.
  - The adoptive parent(s) is no longer legally responsible for the support of the child.
  - The adoptive parent(s) is not providing any support for the child. Support includes various forms of financial support such as payments for therapy, tuition, clothing, maintenance of special equipment in the home, or services for the child's special needs. If the state determines that the parent is providing some form of financial assistance to the child, the state may continue the adoption assistance after renegotiation of the ongoing monthly adoption assistance payment and signatures by the adoptive parent(s) and the adoption subsidy program manager or DHHS designee on the renegotiated agreement.

**Reporting  
Changes**

The adoptive parent(s) must notify the Adoption Subsidy Office in writing within two weeks after any of the above changes occur. Recoupment procedures will be followed for overpayments.

**Notice of  
Agreement  
Termination**

The Adoption Subsidy Office must notify the adoptive parent(s) of adoption assistance agreement termination by a DHS-4103, Adoption Assistance Case Closure/Overpayment Notice.

**Adoption Medical  
Subsidy Duration**

**Note:** Adoption medical subsidies are not title IV-E funded or subject to title IV-E regulations.

Adoption medical subsidy eligibility exists until one of the following events occurs:

- The child becomes age 18.
- The child has not yet reached age 18 but is emancipated by any of the following:
  - Court order.
  - Marriage.
  - Entering the military service.
- The child dies.
- The adoption is terminated.
- A determination of ineligibility is made by the Department of Health and Human Services based on one or more of the following:
  - The certified condition(s) no longer exists.
  - The family receives a Family Support Subsidy for the child from the Michigan Community of Mental Health.
  - The adoptee is removed from the home as a temporary court ward due to delinquency or due to a child protective

proceeding (MCL 712A.2(a) or.2(b)), including when an adoptee is residing with his/her parents and under jurisdiction of the court.

- The adoptive parent(s) dies, unless a full legal guardian is appointed by the court and requests continuation of the adoption medical subsidy.

### Reporting Changes

The parent must notify the Adoption Subsidy Office in writing within two weeks after any of the above events occur. Recoupment procedures will be followed for changes not reported timely.

### Notice of Agreement Termination

The family must be notified of the adoption medical subsidy agreement termination due to one or more of the above events by a DHS-4103, Adoption Assistance Case Closure/Overpayment Notice, from the Adoption Subsidy Office. Recoupment of excess payments will be initiated, if necessary.

### CHILD MADE A TEMPORARY COURT WARD

#### Adoption Assistance

The adoption assistance must continue in accordance with MCL 400.115j, for children removed from his or her home due to delinquency as temporary court ward based on proceedings under MCL 712A.2(a).

When children are removed from the home due to a child protective proceeding under MCL 712A.2(b), the adoption assistance must continue unless the adoptive family is no longer providing any support for the child. Support includes various forms of financial support such as payments for therapy, tuition, clothing, maintenance of special equipment in the home, or services for the child's special needs. If the state determines that the parent is providing some form of financial support to the child, the state may continue the adoption assistance after renegotiation of the ongoing monthly adoption assistance payment and signatures by the

adoptive parent(s) and the adoption subsidy program manager or DHHS designee on the renegotiated agreement.

### **Reimbursement of Cost of Care or Services**

MCL 712A.18(2) requires a court to order reimbursement of the costs of care or service when children are placed outside of the home. MCL 712A.18(3) permits the court to order reimbursement of the costs of service when children are placed in their own home. These provisions restrict the court from assessing the adoptive parent for the cost of care or services higher than the amount of the adoption assistance monthly payment.

### **Adoption Medical Subsidy**

When a child is either removed from the home or remains in the home as a temporary court ward due to delinquency or a child protective proceeding, medical subsidy shall not pay for the following services:

- Behavioral services.
- Temporary out-of-home placement.
- Placement outside of a family home.
- Step-up services.
- Residential services.
- Step-down services.

**Note:** Medical subsidy may continue to pay for counseling services for a child who had existing counseling services being paid for through the medical subsidy program with an established provider.

The medical subsidy services listed above may be reopened once the child is no longer a temporary court ward or under court supervision/jurisdiction. Copies of the court's disposition, discharge, and probationary terms must be submitted to the Adoption Subsidy Office to determine whether the child is eligible for the above medical subsidy services.

**GUARDIANSHIP  
AFTER THE DEATH  
OF THE ADOPTIVE  
PARENT (STATE  
FUNDED  
ASSISTANCE)****Adoption  
Assistance and  
Adoption Medical  
Subsidy**

MCL 400.115j(8) states, "Upon the death of the adoptive parent, the department shall continue making adoption assistance payments or continue medical subsidy eligibility, or both, to the guardian of the adoptee if a guardian is appointed as provided in section 5202 or 5204 of the Estates and Protected Individuals Code, 1998 PA 386, MCL 700.5202 and 700.5204."

**Note:** State-funded adoption assistance and/or medical subsidy payments will not be paid to the child's birth parent(s) or legal parents whose rights were previously terminated and are later appointed as guardian(s).

Adoption Assistance/Subsidy agreements with guardians are state-funded and do not include Medicaid coverage for the child through the adoption assistance program. The guardian may apply for Medicaid for the child through the local DHHS office.

A court-appointed guardian may request ongoing monthly adoption assistance payment and/or medical subsidy to continue. The guardian must contact the Adoption Subsidy Office in writing to request the adoption assistance/subsidy agreement(s). A copy of the following documentation is required to establish the adoption assistance/subsidy:

- Adoptive parent's death certificate.
- Guardianship court order.
- Guardian's Social Security card or equivalent verification of the guardian's Social Security number.

The Adoption Subsidy Office will send an agreement in the name of the guardian to the guardian for signature, if approved. When the signed agreement is returned to the Adoption Subsidy Office it will be signed by the adoption subsidy program manager or DHHS designee. A copy of the signed agreement will be mailed to the

guardian. Payments may be made retroactive to the date the guardian was appointed by the court or the date of the last adoption assistance payment, whichever is later.

**Adoption by the  
Guardian**

In cases where a guardian appointed after the death of the adoptive parent(s) is receiving adoption assistance and subsequently applies to adopt the child, a DHS-1341, Adoption Assistance Application, must be submitted to the Adoption Subsidy Office prior to the final order of adoption. If the child is determined eligible as a special needs child, an adoption assistance agreement must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHHS designee prior to the final order of adoption. If the child was eligible for title IV-E adoption assistance in the previous adoption, the title IV-E funding eligibility will be available for the subsequent adoption.



## INTRODUCTION

Adoption assistance and adoption medical subsidy agreements expire on the child's 18th birthday. The expiration of the agreement causes payments to end and subsidy-related Medicaid to close at the end of the month of the child's 18th birthday. The Adoption Subsidy Office sends an informational letter to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) prior to the child's 18th birthday. The letter explains that the assistance will end when the child turns 18 and includes the eligibility requirements for extensions. Information regarding application for Supplemental Security Income (SSI) is also included. AAM 630 is specific for children adopted prior to their 16th birthday. If the child was adopted on or after his/her 16th birthday AAM 631, must be used in lieu of this section.

## TITLE IV-E-FUNDED ADOPTION ASSISTANCE EXTENSION ELIGIBILITY

A title IV-E-funded adoption assistance extension may be authorized until age 19 for children who were receiving title IV-E-funded adoption assistance prior to their 18th birthday, if the Department of Health and Human Services (DHHS) determines that the child has a mental or physical disability which warrants continuation of adoption assistance under title IV-E.

The Adoption Subsidy Office will determine if the child has a disability which warrants the continuation of assistance based on a specific physical, mental or emotional condition or disability of such severity or kind that it would constitute a significant obstacle to the child's independence. Such conditions include, but are not limited to:

- Any medical condition which will require repeated or frequent hospitalization, treatment or follow-up care, for example, cancer, diabetes, epilepsy.
- Any physical handicap, by reason of physical defect or deformity, whether congenital or acquired by accident, injury or disease, which makes a child totally or partially incapacitated as described in R340.1709 of the Michigan Special Education Rules; or makes a child eligible for Children's Special Health Care Services (CSHCS) or the equivalent program in the

child's state of residence. Examples are cerebral palsy, paraplegia, quadriplegia, blindness, deafness, or hydrocephalus.

- Any substantial disfigurement, such as the loss or deformity of facial features, torso or extremities, for example, burn scars, or amputations.
- A diagnosed personality or behavioral problem, psychiatric disorder, serious intellectual incapacity or brain damage which seriously affects the child's ability to relate to his peers and/or authority figures, including mental impairment or developmental disability, for example, schizophrenia, pervasive developmental disorder, traumatic brain injury, moderate-severe mental impairment or emotional impairment.

If a child who previously qualified for a title IV-E adoption assistance does not have documentation of a mental or physical disability as described above, the child must meet the school enrollment eligibility requirements for a state-funded adoption assistance extension in order to continue receiving benefits.

#### **Title IV-E Medicaid Eligibility**

Children who are eligible for a title IV-E funded adoption assistance extension are categorically eligible for Medicaid during the extension period.

#### **NON-TITLE IV-E ADOPTION ASSISTANCE EXTENSION ELIGIBILITY**

For adoptees who do not qualify for a title IV-E-funded adoption assistance extension, a state-funded or TANF extension may be authorized to the age of 19, or high school graduation, or GED completion, or obtaining a certificate of completion for students receiving special education services whichever is earliest, if the child meets all of the following eligibility criteria:

- The adoptee is age 18 and has not completed high school or a GED program and has not obtained a certificate of completion for students receiving special education services.

- The adoptee is regularly attending high school, a GED program or a program for children with disabilities on a full-time basis and progressing toward achieving a high school diploma, certificate of completion or GED.

**Note:** An adoptee who is on a semester, summer, or other break, but was enrolled in school or a GED program or a program for children with disabilities on a full-time basis during the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the child is regularly attending classes that are required of him/her to achieve a high school diploma, or a certificate of completion or a GED.

- The adoptee is not receiving SSI (Supplemental Security Income).

The Adoption Subsidy Office will determine if the funding source is state or TANF. TANF eligibility is determined based upon information obtained from the DHS-678, Annual Report/Status Change. A TANF-funded extension must be changed to state-funded once the child:

- Is no longer living in his/her adoptive parent(s) home but are continuing to provide support, or
- No longer meets TANF eligibility based upon information provided on the DHS-678, Annual Report/Status Change.

**Note:** The adoptive parent's information must be provided on the DHS-678, Annual Report/Status Change.

#### **Non-Title IV-E Medicaid Eligibility**

Medicaid is not continued for adoptees over age 18 who are eligible for a state-funded adoption assistance extension, unless determined eligible for continuation by the Adoption Subsidy Office, based on the adoptee's medical needs and determination of care. If the adoptee is not eligible to continue Medicaid through the Adoption Subsidy Office, a Medicaid application may be made at the local DHHS office

**ADOPTION MEDICAL  
SUBSIDY  
EXTENSIONS  
(STATE-FUNDED)**

A state-funded adoption medical subsidy extension may be authorized when:

- The child is eligible for a title IV-E-funded adoption assistance extension, **or**
- The adoptee is age 18 and has not completed high school or a GED program, and has not obtained a certificate of completion, and
- The adoptee is regularly attending high school, a GED program or a program for children with disabilities on a full-time basis and progressing toward achieving a high school diploma, certificate of completion or GED, and

**Note:** An adoptee who is on a semester, summer, or other break, but was enrolled in school or a GED program or a program for children with disabilities on a full-time basis during the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the child is regularly attending the classes that are required of him/her to achieve a high school diploma, or a certificate of completion or a GED.

- The adoptee is not receiving SSI (Supplemental Security Income).

**EXTENSION  
DOCUMENTATION  
REQUIREMENTS**

The adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) may request an extension by providing required documentation to the Adoption Subsidy Office. The appropriate application(s) and documentation forms will be provided to the adoptive parent(s)/legal guardian(s) (if adoptive parent(s) is/are deceased) with the termination letter prior to the child's 18th birthday. The required documentation must be received by the Adoption Subsidy Office within 30 calendar days following the child's 18th birthday. In all cases, an extension will not be granted if all of the required documentation is not received by the Adoption

Subsidy Office within 30 calendar days following the child's 18th birthday or 30 calendar days of the DHS-900, Adoption Assistance Extension Missing Documentation Notice, whichever is later.

**Title IV-E-Funded  
Adoption  
Assistance  
Extension  
Application**

In order for a determination of eligibility to be made for a title IV-E-funded adoption assistance extension, the following documents are required:

- DHS-1338, Adoption Subsidy Extension Application - Title IV-E Funded.
- DHS-54A, Medical Needs.

If an incomplete adoption assistance extension application is submitted to the Adoption Subsidy Office, the adoption subsidy specialist must respond using the DHS-900, Adoption Assistance Extension Missing Documentation Notice, within 30 calendar days of receipt of the application. The DHS-900, Adoption Assistance Extension Missing Documentation Notice, will clarify the documentation requirements and notify the adoptive parent(s) of any missing application or verification information. The adoptive parent(s) will have 30 calendar days from the child's 18th birthday or 30 calendar days from the date of the DHS-900, whichever is later, to provide the missing documentation.

**Non- title IV-E  
Funded Adoption  
Assistance and  
Adoption Medical  
Subsidy Extension  
Application**

To determine eligibility for a non-title IV-E funded adoption assistance and/or state-funded adoption medical subsidy extension, the following documents must be submitted to the Adoption Subsidy Office:

- DHS-1340, Adoption Subsidy Extension Application - State Funded.
- DHS-3380, Verification of Student Information.

- DHS-678, Annual Report-Status Change. This form provides information used in determining state or TANF funding.

Adoptive parents/legal guardian(s) (if adoptive parent(s) is/are deceased) are required to submit a new DHS-3380, if a child has not graduated by the date reported on the original DHS-3380. The new DHS-3380 is due 30 calendar days prior to the graduation date reported on the original DHS-3380.

### ***Home Schooling***

Adoptive parents/legal guardian(s) (if adoptive parent(s) is/are deceased) who are requesting an extension of the adoption assistance and/or medical subsidy for a child who is being educated at home must submit the following additional information to the Adoption Subsidy Office with the extension application:

A copy of the child's organized individual educational curriculum for the time period 9th grade through 12th grade. The individual education curriculum must include instruction in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English grammar; See [www.michigan.gov/npshts](http://www.michigan.gov/npshts).

### ***Incomplete Application***

If an incomplete adoption assistance extension application is submitted to the Adoption Subsidy Office, the adoption subsidy specialist must respond using the DHS-900, Adoption Assistance Extension Missing Documentation Notice, within 30 calendar days of receipt of the application. The DHS-900, Adoption Assistance Extension Missing Documentation Notice, will clarify the documentation requirements and notify the adoptive parent(s)/guardian(s) of any missing application or verification information. The adoptive parent(s)/ legal guardian(s) (if adoptive parent(s) is/are deceased) will have 30 calendar days from the child's 18th birthday or 30 calendar days from the date of the DHS-900, whichever is later, to provide the missing documentation.

### ***Agreements***

Adoptive parents/legal guardian(s) (if adoptive parent(s) is/are deceased) are sent adoption assistance and/or adoption medical subsidy extension agreements which must be signed, witnessed, and returned to the Adoption Subsidy Office within 90 calendar days of the agreement issuance date. Adoption assistance and adoption medical subsidy payments begin after the adoption

subsidy program manager or DHHS designee signs the extension agreement(s); see AAM 500, Agreement Procedures.

## TERMINATION OF EXTENSIONS

### State-Funded

For an adoptee over 18 years of age, a state-funded adoption assistance and/or adoption medical subsidy extension agreement shall terminate and will not be reinstated when one of the following occurs:

- The child is no longer attending high school, a GED program, or a program for children with disabilities on a regular, full-time basis.

**Note:** An adoptee who is on a semester, summer, or other break, but was enrolled in school or a GED program or a program for children with disabilities on a full-time basis during the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the child is regularly attending the classes that are required of him/her to achieve a high school diploma, a certificate of completion or a GED.

- The child completes or withdraws from high school, a GED program or a program for children with disabilities.
- The child is still attending high school, a GED program or a program for children with disabilities on a full-time basis and reaches age 19.
- The child is receiving Supplemental Security Income (SSI) by the Social Security Administration.
- The adoptive parent(s) or legal guardian (state-funded following the death of an adoptive parent) is no longer providing any support to the child.

Adoptive parents or guardians must notify the Adoption Subsidy Office in writing within two weeks of any of the above changes. Recoupment procedures will be followed for overpayments.

**Title IV-E Funded**

For an adoptee over 18 years of age, a title IV-E funded adoption assistance and/or adoption medical subsidy extension agreement shall terminate and will not be reinstated when one of the following occurs:

- The child reaches age 19.
- The child is receiving Supplemental Security Income (SSI) by the Social Security Administration.
- The adoptive parent(s) is no longer providing any support to the child.

Adoptive parents must notify the Adoption Subsidy Office in writing within two weeks of any of the above changes. Recoupment procedures will be followed for overpayments.



## **INTRODUCTION**

### **Federal Law**

The Fostering Connections to Success and Increasing Adoptions Act of 2008 (PL 110-351) includes an option for states to extend title IV-E funded adoption assistance agreements for youth whose Order Placing Child After Consent was signed after their 16th birthday and who meet certain criteria for education, employment, or are incapable due to a documented medical condition. This program is specific to older adoptees and must be used in lieu of the state and title IV-E-funded extensions described in AAM 630 for youth adopted prior to his/her 16th birthday.

### **State Law**

To implement this option, Michigan passed the Young Adult Voluntary Foster Care Act (MCL 400.665 - 400.671), which allows eligible youth who were adopted on or after their 16th birthday from the Michigan public child welfare system to receive adoption assistance until their 21st birthday, if they are in school, in job training, employed or are incapable due to a documented medical condition.

## **PROGRAM ELIGIBILITY AND REQUIREMENTS**

The adoption assistance eligibility policies in AAM 200 apply to adoption assistance for youth whose Order Placing Child After Consent was signed after their 16<sup>th</sup> birthday. To qualify for an extension of adoption assistance up to the youth's 21<sup>st</sup> birthday, the youth must satisfy all of the following requirements:

1. An adoption assistance agreement was in place through the adoptee's 18th birthday.
2. The youth was adopted on or after his/her 16th birthday.
3. The youth is now between the ages of 18 and 20, and requests to extend adoption assistance payments to the age of 21.
4. The youth and adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) have signed a DHS-1339, Young Adult Adoption Assistance Extension Application.
5. The youth meets at least one of the conditions listed below:

- Actively completing high school or a program leading to a general equivalency diploma (GED) exam.
- Enrolled at least part-time in a college, university, vocational program or trade school.

**Note:** An adoptee who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the child is regularly attending classes that are required of him/her to achieve a high school diploma, or a certificate of completion or a GED.

- Employed in either full- or part-time work, or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program). Participation must be at least 80 hours per month and may be at one or more places of employment, and/or a combination of any of the above activities.
- Incapable of any of the above educational or employment activities due to a documented medical condition.

**Note:** If eligibility is based on incapacity, the subsidy specialist must provide direction to the youth and/or adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) on how to apply for Supplemental Security Income (SSI).

6. The DHS-1339, Young Adult Adoption Assistance Extension Application, is reviewed by the Adoption Subsidy Office and an agreement is issued if the youth meets the requirements of the program. The youth and the adoptive parent(s) must sign the DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement. If the youth was eligible for adoption assistance under a legal guardian (if adoptive parent(s) is/are deceased) the youth and the guardian, must sign the DHS-1322, Young Adult Adoption Subsidy Guardians Extension Agreement.

**Note:** The DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement, is an agreement between the adoptive parent(s) and DHHS, which outlines eligibility requirements in the areas of education and employment. The DHS-1322-YA, Young Adult Adoption Assistance Guardian Extension

Agreement, is an agreement between the legal guardian(s) and DHHS, which outlines eligibility requirements in the areas of education and employment.

**ADOPTION MEDICAL  
SUBSIDY  
EXTENSION  
(STATE-FUNDED)**

A state-funded adoption medical subsidy extension may be authorized when the youth meets at least one of the conditions listed below:

- Actively completing high school or a program leading to a general equivalency diploma (GED) exam.
- Enrolled at least part-time in a college, university, vocational program, or trade school.

**Note:** A youth who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the child is regularly attending classes that are required of him/her to achieve a high school diploma, or a certificate of completion or a GED.

- Employed in either full- or part-time work, or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program). Participation must be at least 80 hours per month and may be at one or more places of employment, and/or a combination of any of the above activities.
- Incapable of doing at least one of the above educational or employment activities due to a documented medical condition.
- Is not eligible for SSI (Supplemental Security Income).

If the youth is eligible for a state-funded adoption medical subsidy extension the DHS-1317, Young Adult Adoption Medical Subsidy Extension Agreement will be issued.

**VERIFICATION OF  
ELIGIBILITY**

The following must be provided to the Adoption Subsidy Office to apply for a Young Adult Adoption Assistance Extension:

- DHS-1339, Young Adult Adoption Assistance Extension Application.
- DHS-678, Annual Report/Status Change. This form determines if a non-title IV-E extension will be funded through state or TANF funding.
- One or more of the appropriate verification forms to document eligibility must be completed and returned with the DHS-1339:
  - DHS-3380, Verification of Student Information (may be used to verify vocational training).
  - DHS-38, Verification of Employment.
  - DHS-54A, Medical Needs.

***Home Schooling***

Adoptive parents or legal guardians who are requesting an extension of the adoption assistance and/or medical subsidy for a child who is being educated at home must submit the following additional information to the adoption subsidy office with the extension application:

- A copy of the youth's comprehensive individual educational curriculum for the time period of 9th grade through 12th grade. The individual education curriculum must include instruction in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English grammar; see [www.michigan.gov/npshts](http://www.michigan.gov/npshts).

**APPLICATION FOR  
EXTENSION**

Adoptive parents/legal guardian (if adoptive parent(s) is/are deceased) of youth who exited foster care to an adoption (Order Placing Child After Consent) between the ages of 16 and 18 and continued to receive adoption assistance until their 18th birthday, may apply for a Young Adult Adoption Assistance Extension if the youth is under the age of 21 and meets the program qualifications.

The DHS-1339, Young Adult Adoption Assistance Extension Application, and DHS-628-YA, Young Adult Extension Notice, will be mailed to the adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) prior to the youth's 18th birthday. The notice will explain that the adoption assistance payments will end when the adoptee reaches age 18 unless an extension agreement is in place. An explanation of the eligibility, application, and documentation requirements for extension requests will be included with the notice.

If an incomplete adoption assistance extension application is submitted to the Adoption Subsidy Office, the adoption subsidy specialist must respond in writing with the DHS-1314, Young Adult Adoption Assistance Extension Missing Documentation Notice, within 14 calendar days of receipt of the application. The DHS-1314, Young Adult Adoption Assistance Extension Missing Documentation Notice, will clarify the documentation requirements and notify the adoptive parent(s)/guardian of any missing application or verification information. The adoptive parent(s)/guardian will have 30 calendar days following the date of the DHS-1314 to provide the missing documentation for the application to be processed with an effective date of the young adult's 18th birthday.

If the adoptive parent(s)/guardian does not provide the missing documentation within this time frame, the application will be denied and the adoptive parent(s)/guardian will need to re-apply. Once a complete application with required documentation is received by the Adoption Subsidy Office, the department will process the application within 30 calendar days. The effective date will be the date the completed application was received in the Adoption Subsidy Office.

If an adoption assistance extension application is denied, the Adoption Subsidy Office will provide a denial notice to the adoptive family or legal guardian (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see AAM 700, Administrative Hearings.

## **EXTENSION AGREEMENT RATES**

The maximum daily adoption assistance rate for extensions will be the maximum rate that was established on the original DHS-4113, Adoption Assistance Agreement. The rate will be negotiated

between the adoptive parent(s)/guardian and the Adoption Subsidy Office.

## **EXTENSION AGREEMENTS**

After an extension is approved by the Adoption Subsidy Office, the DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement, will be mailed to the adoptive parent(s) or the DHS-1321, Young Adult Adoption Subsidy Guardian Extension Agreement will be mailed to the legal guardian (if adoptive parent(s) is/are deceased) and youth for signatures. The signed agreement must be returned to the Adoption Subsidy Office within 30 calendar days of the agreement issuance date and must be signed by the Adoption Subsidy Office Manager or designee before the extension payments are authorized. If the agreement is missing information, the DHS-791, Young Adult Adoption Assistance Extension Agreement(s)-Incomplete Notice will be sent to the adoptive parent(s) or legal guardians (if adoptive parent(s) is/are deceased). If the agreement is not received within 30 calendar days of the agreement issuance date or the date of the DHS-791, the effective date will be the date the agreement was received by the Adoption Subsidy Office.

## **FUNDING SOURCE**

The Young Adult Adoption Assistance Extension program is funded by title IV-E, state, and TANF. The funding source for the youth's extension is the same funding source that was established on the original DHS-4113, Adoption Assistance Agreement, with the exception of youth who had an agreement established with a legal guardian (if adoptive parent(s) is/are deceased). These cases will be state-funded.

For non-title IV-E cases, the Adoption Subsidy Office will determine if the funding source is state or TANF. TANF eligibility is determined based upon information obtained from the DHS-678, Annual Report/Status Change. TANF-funded extensions must be changed to state-funded once the youth:

- Reaches his or her 19th birthday, or
- Is no longer attending or graduates from high school, or
- Is no longer living in his/her adoptive parent(s) home, or

- No longer meets TANF eligibility based upon information provided on the DHS-678, Annual Report/Status Change.

**Note:** The adoptive parent(s) information must be provided on the DHS-678, Annual Report/Status Change, as Michigan's definition of a child has been extended to age 21.

During periods of ineligibility, a grace period for re-establishing eligibility may occur. A funding source change must occur for title IV-E-funded cases during the grace period. Title IV-E-funded cases must be changed to state-funding when any grace period begins and must be changed back to title IV-E funding when the youth re-establishes eligibility.

## MEDICAID ELIGIBILITY

### Title IV-E Medicaid Eligibility

Youth who are eligible for a title IV-E-funded young adult adoption assistance extension are categorically eligible for Medicaid during the extension period.

### Non-title IV-E Medicaid Eligibility

Medicaid is not continued for adoptees over age 18 who are eligible for a non-title IV-E funded young adult adoption assistance extension, unless determined eligible for continuation by the Adoption Subsidy Office. Determination is based on the adoptee's medical needs and determination of care (DOC) level. If the extension agreement is with a legal guardian (if adoptive parent(s) is/are deceased) the youth will not be eligible for Medicaid through the Adoption Subsidy Office. A Medicaid application may be made at the local DHHS office if the adoptee is not eligible through the Adoption Subsidy Office for continuation of Medicaid.

## CHANGE REPORTING

Change reporting by the adoptive parent/legal guardian (if adoptive parent(s) is/are deceased) of the Young Adult Adoption Assistance is required as listed in AAM 650, Parent Responsibilities, with the exception of the time frame for reporting. The adoptive parent/legal guardian (if adoptive parent(s) is/are deceased) and/or youth must

report changes as soon as they occur, but no later than two weeks after the event.

## GRACE PERIOD

A grace period is the period of time after the youth ceases to meet the educational, employment, and/or incapacitating medical condition requirements. Grace periods are to be applied based on the following:

- Youth are allowed a 30-day grace period in which to re-establish eligibility.
- Youth are allowed up to three grace periods per fiscal year.
- The grace period begins the day immediately following the day the youth becomes ineligible, whether or not it is reported timely.
- The Young Adult Adoption Assistance Extension payments and Medicaid coverage, if the youth was eligible for Medicaid, continues during the grace period.

**Note:** A funding source change must occur for title IV-E-funded cases during the grace period. Title IV-E-funded cases must be changed to state-funding when any grace period begins and must be changed back to title IV-E funding when the youth re-establishes eligibility.

The adoptive parent(s) or legal guardian (if adoptive parent(s) is/are deceased) must contact the Adoption Subsidy Office to discuss ways in which the youth could meet the requirements or the assistance will terminate at the end of the grace period. The Adoption Subsidy Office will monitor and track the time frame for the grace period.

A grace period cannot be used for youth who become ineligible due to one of the following circumstances:

- Reaches his or her 21st birthday.
- Enters military service.

**Exception:** Membership in the Reserve Officers' Training (ROTC) or the reserve component of the Armed Forces; such as, Army National Guard of the United States, Air Force Reserve, and Coast Guard Reserve does not disqualify a youth from the Young Adult



Adoption Assistance Extension, unless participation requirements exceed 21 consecutive calendar days of active duty or training responsibilities.

- Marries.
- Begins receiving federal Supplemental Security Income (SSI) payments.
- Is living with his/her biological parent(s).
- Dies.

## **QUARTERLY REVIEWS**

The Adoption Subsidy Office will continue to review eligibility for the extension program every three months, beginning three months from the effective date of the extension. Verification of the youth's continued employment, education, vocational or job training enrollment, or inability to participate in any educational or employment activities due to medical reasons must be provided every three months.

The DHS-881-YA, Quarterly Young Adult Extension Review, and applicable verification forms will be mailed to the adoptive parent(s) or legal guardian (if adoptive parent(s) is/are deceased) 30 calendar days prior to the quarterly review due date for completion. If the DHS-881-YA, Quarterly Young Adult Extension Review, and applicable verification documentation are not returned to the Adoption Subsidy Office within 30 calendar days from date on the DHS-881-YA, Quarterly Young Adult Extension Review, payments will be terminated.

## **TERMINATION OF EXTENSION**

DHHS may terminate the DHS-4113-YA, Young Adult Adoption Assistance Extension Agreement or DHS-1321, Young Adult Adoption Subsidy Guardian Extension Agreement and payments will end, if the youth becomes ineligible. Ineligibility occurs when the youth:

- Discontinues his/her educational, vocational or trade program and does not re-enter a similar program or meet another eligibility requirement within the 30 calendar day grace period.

**Note:** A youth who is on a semester, summer, or other break, but was enrolled in school the previous semester and will be enrolled after the break, is considered enrolled in school. Full-time means the child is regularly attending classes that are required of him/her to achieve a high school diploma, or a certificate of completion or a GED.

- Is no longer employed at least 80 hours per month or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program), and has not met one of the other eligibility requirements within the 30 calendar day grace period.
- Is no longer deemed incapable due to a medical condition and does not meet one of the other eligibility requirements within the 30 calendar day grace period.
- Is incarcerated for more than 30 calendar days.
- Is living with his/her biological parent(s).
- Reaches his or her 21<sup>st</sup> birthday.
- Marries.
- Enters military service.

**Exception:** Membership in the Reserve Officers' Training (ROTC) or the reserve component of the Armed Forces; such as, Army National Guard of the United States, Air Force Reserve, and Coast Guard Reserve does not disqualify a youth from the Young Adult Adoption Assistance Extension, unless participation requirements exceed 21 consecutive calendar days of active duty or training responsibilities.

- Begins receiving federal Supplemental Security Income (SSI) payments.
- Dies.

The DHHS Adoption Subsidy Office will send written notification of termination of the adoption assistance by mail to the adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased). This written notification will include a statement of the department's reason for termination and rights to an administrative hearing; see AAM 700, Administrative Hearings.

**RE-ENTERING THE  
YOUNG ADULT  
ADOPTION  
ASSISTANCE  
EXTENSION  
PROGRAM**

To re-enter the Young Adult Adoption Assistance Extension program, the adoptive parent or legal guardian (if adoptive parent(s) is/are deceased) must contact his/her adoption assistance specialist for an application and required verification forms or locate this information on the DHHS website, and then submit this documentation to the Adoption Subsidy Office. The adoptive parent/guardian may re-apply for an adoptee to re-enter the Young Adult Adoption Assistance Extension program if the Order Placing Child After Consent was signed after the youth's 16<sup>th</sup> birthday, and if the adoptee is under the age of 21, and if the Young Adult Adoption Assistance Extension was terminated when the youth:

- Discontinued his/her educational, vocational or trade program and did not re-enter a similar program or meet another eligibility requirement within the 30 calendar day grace period.
- Was no longer employed at least 80 hours per month or participating in a program that promotes employment (such as Job Corps, Michigan Works! or another employment skill-building program), and did not meet one of the other eligibility requirements within the 30 calendar day grace period.
- Was no longer deemed incapable due to a medical condition and did not meet one of the other eligibility requirements within the 30 calendar day grace period.
- Was incarcerated for more than 30 calendar days.

The youth may re-enter the Young Adult Adoption Assistance Extension program if he/she is under the age of 21 and meets the eligibility requirements of the program.

If an extension application is denied, the Adoption Subsidy Office will provide a denial notice to the adoptive parent(s)/legal guardian (if adoptive parent(s) is/are deceased) that includes the reason(s) for the denial and information regarding the right to request an administrative hearing; see AAM 700, Administrative Hearings.

**RECOUPMENT**

Recoupment for overpayments will be pursued from the payee retroactively to the date that eligibility ceased to exist; see AAM 140, Recoupment.

**GENERAL  
INFORMATION**

Adoption medical subsidy is intended to assist with payment for necessary services related to the treatment of a physical, mental or emotional condition certified by the Adoption Subsidy Office of a child who has been placed for adoption [MCL 400.115f]. Related expenses may include therapies, prescriptions, medical supplies or laboratory expenses. The child must meet application and eligibility requirements of the program; see AAM 400 for application and eligibility policies.

**USE OF AVAILABLE  
RESOURCES**

The Department of Human Services must not make a medical subsidy payment unless all other available public money and third-party payment, such as Medicaid, Children's Special Health Care Services, Community Mental Health and private insurance, have been exhausted. The medical subsidy program is the payer of last resort [MCL 400.115h].

**Treatment  
Responsibility**

With the exception of out-of-home services, parents retain responsibility for making treatment arrangements for their child, seeking prior approval for services and making payment arrangements with providers. The quality of services is the responsibility of parents and the services provider. All mental health providers must be licensed and/or under contract with the department.

**Prior Authorization  
Requirement**

In order for the Adoption Subsidy Office to reimburse for services, the parent must obtain authorization from the Adoption Subsidy Office before the service is rendered. Most medical subsidy services must have prior approval of the Adoption Subsidy Office. Payment requires written authorization by the Adoption Subsidy Office before the service is initiated. The approval letter will specify the type of service, the extent of coverage, the rate of payment, the authorized provider, the approved time period, and the expiration date after which the family will be required to reapply for additional prior authorization.

Payment is made only for services provided during the approved time period and when the child is eligible for medical subsidy. The adoptive parent(s) and the provider should carefully review the approval letter.

### **Provider Registration**

Providers of services must register as vendors with the Michigan Department of Technology, Management and Budget (DTMB) at:

[http://michigan.gov/budget/0,1607,7-157-13404\\_37161-179392--,00.html](http://michigan.gov/budget/0,1607,7-157-13404_37161-179392--,00.html)

The adoptive parent payee is registered with DTMB when the subsidy case is opened and will be eligible for direct reimbursement of costs for the specific medical subsidy items as described in this policy. The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment/services to his or her adopted child.

### **COVERED SERVICES**

The following policy sections refer to services that may be covered **after** the child's eligibility for medical subsidy has been approved by the Adoption Subsidy Office for specific condition(s) related to the requested services. An Adoption Medical Subsidy Agreement for the specific condition(s) must be signed by the adoption subsidy program manager or DHS designee and prior authorization approved by the Adoption Subsidy Office before payment can be processed through the medical subsidy program. The date of service must be on or after the effective date of the adoption medical subsidy agreement.

The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment/services to his or her own adopted child.

### **Dental**

The adoption medical subsidy program does not cover routine dental care or cosmetic treatments. A request for prior approval may be made for dental conditions that existed prior to adoption, such as congenitally missing teeth or severely damaged teeth that were diagnosed prior to adoption finalization. Once approved, reimburse-

ment will be considered only after all other available public money and third-party payments are exhausted.

### ***Orthodontics***

Orthodontic treatment may be covered only when all of the following conditions are met:

- All other available public money and third-party payments, such as private insurance and Medicaid have been exhausted, and
- The service is necessary to treat a condition certified by the Adoption Subsidy Office, and
- The date of service must be on or after the effective date of the adoption medical subsidy agreement, and
- A treatment plan from the proposed orthodontic provider is submitted that includes the following:
  - The presenting dental condition.
  - How the treatment will correct the presenting condition.
  - Time line for treatment.
  - The expected treatment outcome.
  - Statement of total cost, including any required extractions.

For a certified orthodontic condition, total lifetime payments through the adoption medical subsidy program for this service will be limited to \$3,500.

In cases where payment for orthodontic services was processed through the foster care program prior to adoption, the medical subsidy program will cover the balance of orthodontic services up to a total of \$3,500. The medical subsidy application must be completed and adoption medical subsidy agreement signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee prior to requesting payment through the Adoption Subsidy Office. The effective date of coverage will be reflected on the agreement. Services prior to the effective date can not be covered.

### **Durable Medical Equipment**

Durable medical equipment are items that can stand repeated use, are primarily and customarily used to serve a medical purpose, are not useful to a person in the absence of illness or injury, and can be

used in the home. Durable medical equipment (for example, wheel-chairs, ramps or walkers) may be covered after authorization is obtained from the Adoption Subsidy Office based on the submission of the following documentation:

- Documentation from a physician verifying medical necessity, based on a medical condition/diagnosis certified by the Adoption Subsidy Office is required. The type and quantity of equipment and the frequency of usage must be included with the documentation, and
- A physician's prescription for the equipment to treat the certified condition/diagnosis, and
- Documentation that the equipment is the least expensive alternative, and
- Documentation that the parent's private health insurance, Medicaid, Children's Special Health Care Services and the Trust Fund for Children With Special Needs have been exhausted as resources.

### ***Adaptive Equipment***

Medical subsidy may assist with items or equipment designed specifically to assist children to compensate for their physical deficits within their environment. A professional evaluation and recommendation is required.

### ***Communication Aids***

Medical subsidy may assist with items and devices that enhance and augment communication, including computer software for a related condition certified by the Adoption Subsidy Office, up to a maximum of \$1,500, once every five years. Modification of an existing communication device is payable one time per year. A professional evaluation and recommendation is required.

### ***Van Lifts***

Up to \$5,000 may be provided for the cost of a van lift once every five years, for a related condition certified by the Adoption Subsidy Office.



***Excluded Items***

Structural changes, improvements to the home, computers or items that provide for the comfort, education or recreation of other family members cannot be approved for payment through this program (for example, stair lifts, elevators or whirlpools).

**Educational  
Services**

The Michigan Mandatory Special Education Act (Act 198, P.A. 1971) places responsibility for providing educational services to handicapped children with the Michigan Department of Education and local and intermediate school districts. Educational services are not covered through the adoption medical subsidy program, if the service is available from the public school system through the Michigan Mandatory Special Education Act. The subsidy program does not pay for private school tuition or services that can be provided by public school special education programs.

**Note:** The medical subsidy program will not purchase computers but will consider the costs of educational software for a medical condition certified by the Adoption Subsidy Office.

***Physical, Occupational and Speech Therapy***

Physical, occupational and speech therapy services are limited to the same level as the services stated in the child's current Individual Education Plan (IEP). Children attending home school or private schools must obtain an IEP document and services from the local or intermediate school district before medical subsidy will cover services.

Speech therapy, physical therapy and occupational therapy services must be provided by providers who are licensed to provide these services. Medical subsidy does not pay parents to provide these services to their children.

Physical, occupational and speech therapy services require prior approval by the Adoption Subsidy Office.

Before medical subsidy may authorize payment or reimbursement for physical, occupational and/or speech therapy, a request must be made and eligibility determined for coverage by the following:

- Private insurance (if available).
- Children's Special Health Care Services.

- Local public school district (IEP required).
- Medicaid.

Medical subsidy will not authorize payment or reimbursement when services are being provided by one of the above resources during the same time period.

Payment for these services through the Adoption Subsidy Office will not exceed the Medicaid payment rate. A condition which may require physical, occupational or speech therapy must be certified by the Adoption Subsidy Office.

For pre-primary children ages 0-2, the adoptive parent must apply to Early On before requesting prior approval from medical subsidy. Documentation of this request and the denial must be provided to the Adoption Subsidy Office. If the child is enrolled in Early On, medical subsidy will not pay for therapy services.

For pre-primary children ages 3-5, adoption medical subsidy may assist with the cost of physical, occupational or speech therapy if all other resources have been exhausted.

For school-age children ages 6-17, adoption medical subsidy may assist with the cost of physical, occupational or speech therapy if all other resources have been exhausted.

**Note:** Sensory integration therapy is a form of occupational therapy intended to help the patient regulate sensory responses. The medical subsidy program may cover up to six months of this specialized therapy for children who have a medical subsidy for a neurological condition and a physician's prescription, if all other resources for payment have been exhausted. The payments will not exceed the Medicaid payment rate for occupational therapy.

### ***Tutoring***

Limited payment for tutoring may be provided for the following children:

- Ages 7 and older, for the purpose of raising a failing grade (D or below) in a general education class, if related to a medical condition certified by the Adoption Subsidy Office.
- Children who are receiving educational services as part of their special education Individual Education Plan (IEP) or 504 plan, who require specific additional help beyond parental

assistance, if related to a condition certified by the Adoption Subsidy Office.

The tutoring must:

- Be recommended in writing by the child's teacher, and
- Include the teacher's identification of the subject(s) in which the student needs remedial assistance, and
- Include an estimate of the length of time the tutoring will be needed, and
- Occur outside of regular school hours, and
- Not be provided by a member of the adoptive household.

### **Tutoring Approvals**

- Tutoring payment requires prior approval by the Adoption Subsidy Office.
- Tutoring must not exceed five hours per week, with a maximum rate of \$30 per hour.
- Prior approval for tutoring will cover a maximum of one school term/semester or summer session.
- A written syllabus or tutoring plan and the tutor's credentials must be submitted with the tutoring request to the Adoption Subsidy Office prior to the commencement of the tutoring services.
- Additional tutoring will require prior approval from the Adoption Subsidy Office. A progress report from the child's teacher which evaluates the result of, and need for, continued tutoring must be provided to the Adoption Subsidy Office at the end of the tutoring authorization period. The teacher's progress report must indicate the need for continued remedial assistance and an estimate of the additional length of time needed.
- Tutoring payments will be made directly to the person providing the tutoring. The tutor must register as a vendor with the State of Michigan.

**Note:** Tutoring will not be reimbursed when provided by a member of the adoptive household.

***Academic Credit Recovery/Summer School***

Academic credit recovery/summer school courses may be reimbursed for high school students in public school districts that do not reimburse parents for successful completion of the courses. The courses must meet high school graduation requirements for the child and the child must have a medical subsidy condition certified by the Adoption Subsidy Office related to academic performance. Documentation from the school including the cost of the course, the successful completion of the course and the fact that it is required for high school graduation is required prior to approved authorization from the Adoption Subsidy Office.

**Glasses/Contact Lenses**

Reimbursement is available every 12 months for one pair of glasses or one year's worth of contact lenses, if medically prescribed and related to a condition certified by the Adoption Subsidy Office. Other resources, including the parent's private health insurance and Medicaid, must be exhausted before medical subsidy will assist with the cost of corrective lenses.

**Hearing Aids**

Medical subsidy will reimburse for medically prescribed hearing aids once every 12 months if related to a condition certified by the Adoption Subsidy Office. Private health insurance, Medicaid and Children's Special Health Care Services must be applied for and exhausted before medical subsidy will assist with the cost of hearing aids.

**Incontinence Supplies**

Medicaid and Children's Special Health Care Services and private insurance must be used for diapers and pull-ups, or other incontinence supplies. If there are no other resources for those items, adoption medical subsidy will reimburse for diapers, pull-ups, or other incontinence supplies only if they are related to a condition certified by the Adoption Subsidy Office and when there is written documentation of a medical need and the child is four years of age or older.

**Medical Supplies  
and Prescriptions**

Medical supplies and prescriptions may be covered only when the supply or prescription is necessary to treat a condition certified by the Adoption Subsidy Office and the date of purchase is on or after the effective date of the adoption medical subsidy agreement. Medical subsidy will not pay for medications that have not been approved by the U.S. Food and Drug Administration.

Other resources including the parent's private health insurance, Medicaid, and Children's Special Health Care Services must be exhausted before the subsidy program will approve payment.

General over-the-counter medical/first aid supplies are not covered by the medical subsidy program. Non-covered items include, but are not limited to: aspirin, band-aids, general over-the-counter lotions, thermometers, vitamins, supplements and shampoos.

**Physical Care  
Services**

Physical care services are assistance in caring for the special physical conditions of a child with complex and continuing medical maintenance issues, (examples are, quadriplegic, tube feedings, ostomy care, severe multiple impairments) while waiting until ongoing care and/or services can be obtained through Medicaid or Children's Special Health Care Services programs. Physical care services can also be used to prevent hospitalization or out-of-home care. Physical care services will not be authorized on an emergency basis. Coverage for physical care services will not extend beyond the child's 18th birthday.

Payment for physical care services is not approved if the child requires care because the adoptive parent works, goes to school, volunteers, runs errands, is providing care for foster children, or because the child cannot be left alone.

If a child's adoption support subsidy payment includes an exceptional rate (Determination of Care) for providing physical care services, the medical subsidy program will not approve payments for services.

Approval of physical care services requires:

- A written treatment plan from a physician, which determines the total amount of treatment and time needed.

- The services is related to a physical condition that has been certified by the Adoption Subsidy Office.
- A service provider who is qualified by education, training or experience, as determined by the Adoption Subsidy Office, and is not a member of the household.

Maximum payment is \$15 per hour, up to 8 hours per day for a period of six months. After six months, a review and current documentation of the continued need for physical care services is required by the Adoption Subsidy Office.

The caregiver for physical care services must be registered as a vendor for the State of Michigan in order to receive payment.

Parents must provide documentation that they have made application to, and received denial or partial assistance from, the following resources before requesting assistance through the medical subsidy program:

- Private health insurance.
- Medicaid.
- Children's Special Health Care Services.
- Home Help through the Department of Human Services (45-day approval process).

### Summer Camp

The medical subsidy program may cover up to \$500 per calendar year for the cost of summer camp. The camp program must be a **specialized treatment camp** that provides services related to a condition certified by the Adoption Subsidy Office. Overnight and day camps must be licensed in the state where they are located. Adoption medical subsidy will not cover the costs of transportation to or from the camp. Pre-approval must be obtained through the Adoption Subsidy Office.

### Travel Expenses

The medical subsidy program does not routinely pay for travel expenses. In order for payment to be made, the following criteria must be met:

- Medicaid and all other available public money and third-party payments have been exhausted.

- Written prior approval must be given from the Adoption Subsidy Office prior to the expenses being incurred. Approval may be granted only if travel meets all of the following:
  - In excess of 30 miles round trip.
  - Necessary for the treatment of a condition certified by the Adoption Subsidy Office.
  - Is not included in the child's DOC rate for adoption support subsidy.
- Reimbursement for travel expenses is limited to those family members whose presence is necessary for the treatment of the condition of the child that has been certified by the Adoption Subsidy Office.
- Lodging may be approved if it is determined that the family must be away from home overnight in order to obtain the medical care for the condition that has been certified by the Adoption Subsidy Office.

Payment for travel expenses will be based on state rates for meals, mileage, and room rates. Meals and lodging require receipts. No lodging or meals will be reimbursed within 50 miles of the family residence. Meals and lodging will not be paid for a child who receives an adoption support subsidy.

If services are available in the state in which the family resides, travel expenses will not be covered to obtain services in another state, unless the travel distance is less than the in-state service.

### **Mental Health Services-General Information**

Adoption medical subsidy assistance for psychological or mental health treatment may be approved for specific mental or emotional conditions that existed prior to the adoption or the cause of which existed prior to the adoption and that have been certified by the Adoption Subsidy Office.

The medical subsidy program assists with the following types of mental health services:

- In-home behavioral services.

- Counseling.
- Developmental assessments/evaluations.
- Out-of-home placements, including step-up, residential, and step-down placements.

***Requesting CMH, Medicaid and Private Insurance Services***

An adoptive parent must request mental health/developmental assessments and related services, such as counseling and psychiatric services, from CMH, Medicaid and private insurance providers. If those providers are unable to provide services to the child within 30 calendar days, the adoptive parent may contact the adoption subsidy worker to request an exception to use medical subsidy for the time period before the CMH, Medicaid and/or private insurance provider is available. The parent must continue to pursue services through CMH, Medicaid and private insurance, even while receiving alternately paid services through the medical subsidy program.

**Mental Health  
Services*****Mental Health/Developmental Assessment Evaluation***

The maximum allowable amount for an outpatient mental health or comprehensive developmental assessment evaluation is \$300. Medicaid and Community Mental Health (CMH) services must be requested and used, if available, prior to approval by the medical subsidy program. An exception to the \$300 maximum, up to \$500, may be granted by the Adoption Subsidy Office based on specific needs of the child.

***Outpatient Counseling***

Outpatient mental health and related services are those psychological, psychiatric, counseling, psychotherapy, or other similarly defined services for evaluation and/or treatment of emotional/mental conditions that have been certified eligible by the Adoption Subsidy Office.

Counseling services can be one of the following:

- Clinical counseling: A counselor meets with a child and/or family members and/or other person(s) significant to the client (if specified in the Adoption Subsidy Office approval)



at a confidential space in the counselor's usual place of business.

- Outreach counseling: A counselor meets with a child and/or family members and/or other person(s) significant to the client (if specified in the Adoption Subsidy Office approval) at the client's home or at a mutually agreed upon site.
- Group counseling: A counselor meets with a group of clients.

Mental health services do not include individual treatment for family members other than the eligible child unless approved on an individual case-by-case basis by the Adoption Subsidy Office.

Counseling services may be available through the local community mental health clinics, through private insurance providers and for Medicaid-eligible children, through qualified health plan providers, all of which must be used prior to medical subsidy.

For a child with an emotional/mental condition certified by the Adoption Subsidy Office, payment for outpatient therapy does not require prior approval from the Adoption Subsidy Office for the first 20 sessions or five months, whichever occurs first if:

- The child is transitioning from foster care to adoption and will continue to receive services from the same counselor used during foster care, or
- The child had not received counseling services in the past 12 months and the parent(s) are currently seeking services for the child.

**Note:** If the child has received counseling services in the last 12 months, pre-approval is required through the Adoption Subsidy Office before services may begin.

Any additional counseling sessions must be prior approved by the Adoption Subsidy Office. Approvals may be granted for up to 20 sessions or five months, whichever occurs first.

Progress reports from outpatient therapy providers are required every 90 calendar days during the approval coverage period. The frequency and duration of treatment will be reviewed by the Adoption Subsidy Office and additional information may be requested from the outpatient therapy provider. Based on the review, payment

may be limited or discontinued if it is determined that the service is not effective or is excessive on a case-by-case basis. Payments may be audited for accuracy.

Outpatient psychotherapy must be provided by one of the following professionals licensed by the Michigan Department of Community Health (MDCH) and/or under contract with the Department of Human Services to provide post-adoption counseling:

- Limited or fully licensed master's social worker.
- Limited or fully licensed marriage and family therapist.
- Limited or fully licensed psychologist.
- Limited or fully licensed professional counselor.
- Fully licensed medical doctor or osteopathic physician, for psychiatric services.

For services provided in another state, the therapist must be licensed by the appropriate public agency in that state.

## Counseling Rates

Providers are reimbursed at the following maximum rates:

Type of Service (Requires Face-to-Face Contact)	Maximum Rate
Medication review	\$24.00
Clinical diagnostic assessment - complete	\$81.00
Psychological testing with written report - per hour	\$47.00
Individual psychotherapy - 50 to 60 minutes	\$63.00
Family therapy- 50 to 60 minutes	\$63.00
Group psychotherapy - per person per 50 to 60 minute session	\$19.00
Missed appointment	\$0

## Private Insurance Payments

Private insurance payments will reduce the amount the adoption medical subsidy program will pay. Refer to the example below.

**Example:** The provider charges \$100 for a 50-60 minute session of individual psychotherapy.

\$63.00-approved rate (see maximum above)

-53.00-private insurance reimbursement

\$10.00-Adoption Subsidy Office payment

Note: \$10.00 is the difference between the maximum rate minus the amount the private insurance paid. The parent is responsible for the balance of the original \$100 charged by the provider.

## Behavioral Services

Behavioral services are short-term training (12 months or less) of the child and parent(s) to enhance the parent's skills and modify the child's behavior related to the child's mental or emotional condition that has been certified by the Adoption Subsidy Office.

This service is **not** approved for care of the child in the parent's absence or beyond a child's 18th birthday.

Payment for behavioral services will be made at a rate set by the Adoption Subsidy Office for a maximum 12-month period.

Prior authorization will be made based on the following submitted documentation:

- The behavioral services are a component of an ongoing treatment program developed by a qualified treatment specialist (such as a licensed physician, psychologist, or limited or fully licensed master social worker) and related to a mental or emotional condition that has been certified by the Adoption Subsidy Office.
- A written treatment plan is provided, including an assessment of the behavior problems, a statement of intervention techniques to be used, expectation of parental involvement/training and expected outcomes at the end of the treatment period. The treatment plan must include the credentials of the treatment specialist and service provider. The treatment plan must be signed by the treatment specialist, service provider, and adoptive parent(s).

- The treatment specialist (such as licensed physician, psychologist, limited or fully licensed master social worker) recommends the service provider and is responsible for training and supervision of the service provider. The training and supervision plan must be submitted with the request for behavioral services.

### ***Behavioral Services Rates***

For one child, the maximum payment is \$40 per hour for a maximum of \$1000 per calendar month not to exceed \$4,800 in a 12-month period.

For two or more children in the same family, the maximum payment is \$40 per hour with a maximum of \$1,400 per calendar month and not to exceed \$7,200 in a 12-month period.

### **Temporary Out-Of-Home Placement**

Payment requirements for temporary out-of-home placement are:

- Prior authorization by the Adoption Subsidy Office related to the child's mental or emotional condition that has been certified through the adoption subsidy program.
- The temporary out-of-home placement is consistent with a treatment plan developed for the child by one of the following professionals; a licensed physician, psychologist, or limited or fully licensed master social worker.
- The temporary out-of-home placement is not less than 24 or more than 72 consecutive hours. The placements are not to exceed 96 hours per month. The maximum number of hours in a 12-month period cannot exceed 384 hours (16 days).

Daily subsidy payment rates for temporary out-of home placement are set by the department.

### ***Temporary Out-Of- Home Placement Rates***

The rates are as follows for temporary out-of-home placements:

- Child 0-12 is \$50.00 per day/per child maximum.
- Child 13 plus is \$60.00 per day/per child maximum.

**Note:** A day is 24 hours or less than 24 hours. The maximum is 384 hours (16 days) in a 12-month period.

### **Placement Outside of a Family Home**

The medical subsidy program is intended to assist the adoptive parents with the cost of treating emotional or mental conditions that existed or the cause of which existed prior to the adoption of a child who had been in foster care in Michigan.

### **Mental Health Treatment Limit**

State law (MCL 400.115h) limits payment for treatment of emotional or mental conditions to outpatient treatment unless one of the following applies:

- The child was certified eligible for an adoption support subsidy.
- The Adoption Subsidy Office approved certification for the emotional or mental condition before the date of the final order of adoption.
- The child was placed in foster care as a result of a finding of abuse or neglect by a Michigan family court before the petition for adoption was filed.

### ***Eligibility Timeframe***

Short-term treatment outside the family home can be covered as a last resort when treatment goals are not being achieved in the family setting. Adoption medical subsidy policy limits the amount of coverage to six months. Approvals may be granted for periods of up to three months at a time.

### ***Placement Goals***

The goals of placement outside the family home are to address the child's emotional and behavioral problems, strengthen the adoptive family, and to facilitate the reunification of the child with his/her adoptive family. In order to meet these goals, it is required that adoptive parents be actively engaged in the treatment of their child. Parental involvement may include participation in family therapy, family weekends, and home visits. The lack of family participation may result in discontinuation of funding for the out of home placement.

***Prior Authorization***

Payment for placement outside the family home for emotional or mental conditions requires prior authorization from the Adoption Subsidy Office. The adoption medical subsidy program will not provide coverage for placement outside the family home for children age 18 or older. The authorization is contingent on the determination made during a family team meeting. The authorization letter from the Adoption Subsidy Office will include the effective date of coverage. The medical subsidy program will not provide coverage prior to the effective date noted in the authorization letter. Continued authorization requires regularly scheduled case views using the Family Team meeting model and must include at a minimum: the adoptive parent(s), the out-of-home provider, the child's therapist, and an adoption subsidy representative.

***Monthly Support Subsidy***

When an adoptive family requests payment for placement outside the family home, they have an option to have the medical subsidy program pay for the service and suspend the monthly payment of the adoption support subsidy during the placement, or to continue receiving the adoption support subsidy payment and pay the out-of-home provider directly.

For children who are in a placement which is fully funded by another government funding source, the adoption support subsidy will be reduced to the standard rate. This will be in effect from 30 calendar days after placement until the child returns home.

**Step-Up Services**

Step-up services are used when a child requires temporary placement outside the family home in order to stabilize behaviors. Step-up services are used to de-escalate family conflicts, provide for a return home within a three-month period, and avoid a longer term placement in a more restricted environment. Requirements for a step-up placement are:

- Family provides a written request to the Adoption Subsidy Office.
- The child is under the age of 18.
- Prior authorization by the Adoption Subsidy Office.

- A result of a family team meeting that may include the local DHS/placement agency foster care and/or adoption worker, community partners, the family, the child and the adoption subsidy staff.
- Consistent with a treatment plan developed for the child by one of the following professionals: a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker.
- Limited to three months.
- The step-up placement is in a licensed foster care home.
- Active involvement by the family with the treatment plan. Lack of family involvement may result in discontinuation of step-up services.
- A subsequent treatment plan must be submitted by one of the above listed professionals to the Adoption Subsidy Office within 30 calendar days of the child's step-up placement date.

### ***Payment***

Step-up services are paid at the following rates:

- Child 0-12 is \$50 per day/per child maximum.
- Child 13-plus is \$60 per day/per child maximum.

### **Residential Services**

Residential services are used as a last resort when a child needs short-term/temporary placement outside of the family home, due to severe emotional/behavioral concerns and treatment goals are not being achieved in the family setting. Coverage for residential services is limited to children under the age of 18.

### ***Supporting Documentation***

To request coverage through the adoption medical subsidy program, the parents must submit a request in writing and provide supporting documentation to the Adoption Subsidy Office detailing the following:

1. The placement must be for the purpose of supporting and maintaining the adoptive relationship. The parents must write a letter that includes:

- Information about family composition (for example, adults and children, including foster children and their placement dates).
  - A request for the placement outside the family home.
  - Their proposed involvement in the child's treatment while placed outside of the home.
  - Their proposed plan for the child when discharged from the program.
  - How they intend to maintain the parent-child relationship with their child if he/she is placed outside the home.
  - A statement that they agree to participate in the treatment plan as determined by the treatment facility.
  - A statement that they understand that they are responsible for making the actual placement outside the family home, and if approved, the Adoption Subsidy Office will authorize payment.
2. Professional documentation by one or more of the following professionals: a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker to support the following:
- The child's condition cannot currently be treated in a less restrictive setting.
  - The child's behaviors must warrant a placement outside the family home. The memo must include specific behaviors and when the behaviors occurred, both within the home and the community.
  - The family's active participation in prior efforts to treat the child in his/her own home or in an in-patient setting. Supporting documentation of this participation must be provided to the Adoption Subsidy Office. Prior efforts must include at least two of the following with at least one in home service:
    - Outpatient psychotherapy, including family counseling.



- Inpatient psychotherapy, in addition to outpatient psychotherapy.
  - Behavioral services.
  - Wraparound services.
  - Families First services.
  - Aftercare services following a previous placement outside the family home.
  - Step-Up services.
  - Other in-home services.
3. The child will be placed in the state where the parent resides, or within 200 miles of the parent's residence.
  4. A detailed description of the in-home services that were provided to the family (for example, Wraparound services, behavioral services or Families First), and the outcome of the interventions and participation by all family members.
  5. A school report supporting the contention that a serious school problem exists.
  6. Documentation that the child is demonstrating difficulties within the community. Examples may be dysfunctional peer relationships within the school or neighborhood setting and/or involvement with law enforcement agencies.
  7. Documentation that the child's need for a placement outside the family home is not due primarily to the adoptive family's functioning.
  8. Copies of the child's treatment reports (for example, progress notes, psychological or psychiatric evaluations) dated within the last six months.

**Note:** Payment will not be made for psychiatric hospitalization through the Adoption Subsidy Office.

The family is required to provide the documentation above, within 90 calendar days of their written request for residential treatment being received by the Adoption Subsidy Office. If the documentation is not received within 90 calendar days the request will be denied.

***Role of the Adoption Subsidy Office***

The Adoption Subsidy Office or during the adoption supervision period, the placing adoption agency must supervise the placement of the child outside the family home. If the criteria have not been met, the Adoption Subsidy Office or placing adoption agency shall assist the family with obtaining treatment in a less restrictive setting.

***Parent Responsibilities***

Parents must:

- Provide information about past treatment efforts to the Adoption Subsidy Office.
- Participate in the child's treatment as required by the treatment plan. Parent(s) non-compliance with a child's treatment plan may result in a loss of funding.
- Make an application for SSI on behalf of the child.
- Cover the cost of clothing and arrange for payment of routine medical costs.

***Payment for Placement Outside the Family Home***

After approval from the Adoption Subsidy Office, payment will be made directly to the facility based on monthly billings submitted by the facility. Payment will be limited to approved state rates, and will not include payment for routine medical or dental care, medical treatment for conditions that have not been certified by the Adoption Subsidy Office, clothing, gifts, or independent living costs. All approvals require a treatment plan within 30 calendar days from the placement date.

***Visitation and payment to facility***

When regularly scheduled **overnight** home visits are a part of the child's treatment plan, the Adoption Subsidy Office will make payment to the **facility** as follows:

- If five or fewer overnight visits occur during the month, payment will be made at the full per diem rate for the month. **(Example:** During June, four visits occurred. The Adoption Subsidy Office will pay the facility for 30 calendar days of care.)

- If six or more overnight visits occur during the month, payment will be made for five days at the full per diem rate, and the remaining visitation days at one-half the per diem rate. (**Example:** During June, seven visits occurred. The adoption subsidy program will pay the facility for 28 calendar days at full rate and two days at half rate.)
- Within three months of the anticipated discharge date, payment will be made at the full per diem rate for up to 10 overnight visits during the month.

### ***Visitation and adoption support subsidy payment***

When regularly scheduled overnight home visits are a part of a child's treatment plan and the child is eligible for adoption support subsidy, the Adoption Subsidy Office will make adoption support subsidy payments as follows to the **adoptive parent(s)**:

- If six or more overnight home visits occur during the month, the full support subsidy per diem rate will be paid to the family beginning the sixth day and each day thereafter that the child is at home. (**Example:** During June, 10 visits occurred. The adoption subsidy program will pay full support subsidy to the family for five days.)
- When less than six overnight home visits occur in a month, support subsidy payments **will not** be made.

### ***Extension Requests***

Adoption medical subsidy payment cannot be made for placements outside the family home in excess of six months unless an extension is granted by the Adoption Subsidy Office. Extensions are limited to situations where the child's emotional problems are so severe that placement outside the family home cannot be concluded in less than six months.

Before requesting an extension, the following must be determined by the Adoption Subsidy Office:

- That the adoptive parents participated in the treatment of the child as required by the treatment plan.
- That the adoptive relationship is still viable.

***Extension Request Criteria***

In order to obtain an extension, the residential provider and the family must submit the following to the Adoption Subsidy Office:

1. Documentation from the residential provider that includes all of the following:
  - A memo outlining the reasons more time is required to achieve the treatment objectives and the progress of the child and the family.
  - Documentation of the specific efforts that are being made to return the child to his/her family.
  - Copies of the treatment plans and progress notes from the placement facility.
  - Any additional documentation to support the need for continued placement outside the family home.
2. A letter from the adoptive family which includes **all** of the following:
  - Their involvement in their child's treatment thus far.
  - Their planned involvement if their child remains out of the home.
  - Their proposed plan for their child when discharged from the program.
  - How they intend to maintain the parent-child relationship with their child.
  - Their request for continuation of the placement outside the family home.
  - The parents must agree to participate in the treatment plan as determined by the treatment facility.
3. Documentation that a Family Team Meeting was held with all interested parties and the results of the meeting.

Documentation must be received 14 calendar days prior to the end of the authorization period to prevent a lapse of service.

## Step-Down Services

Step-down services are used when a child needs a temporary placement to transition from a residential setting back to the family home. This placement will assist a child in the adjustment from the more restricted residential environment back to community living and the family home. Requirements for a step-down placement are:

- Consistent with a treatment plan developed for the child by one of the following professionals; a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker.
- Provided in a licensed foster care home.
- Result of a family team meeting that includes the residential staff, community partners, the family, the child and the adoption subsidy staff.
- The child is under the age of 18.
- Prior authorization by the Adoption Subsidy office.
- Limited to three months.
- Continued, active involvement by the family in the treatment plan. Lack of family involvement may result in discontinuation of step-down services.
- A subsequent treatment plan must be submitted by one of the following professionals; a licensed physician, psychologist, psychiatrist or limited or fully licensed master's social worker to the Adoption Subsidy Office within 30 calendar days of the child's step-down placement date.

## BILLING PROCEDURES

Adoption medical subsidy payments are made in response to specific bills submitted by the parents or by the service provider. Payments are made at the rates approved by the department and sent directly to the service provider or parent. Frequency and duration of treatment are subject to review by the Adoption Subsidy Office. Payments may be audited for accuracy.

Payment is approved only if **all** of the following are met:

- The service is **necessary** to treat a condition that has been certified by the Adoption Subsidy Office, and
- A medical subsidy agreement is signed by the adoption subsidy program manager or DHS designee, and
- The service has prior authorization by the Adoption Subsidy Office, and
- The date of service is on or after the effective date of the adoption medical subsidy agreement, and
- Service providers are appropriately licensed or certified by the state agency responsible for regulating professionals in the state where the services are provided. In Michigan, the agency responsible for regulating professional service providers is the Michigan Department of Community Health. Residential placement facilities are licensed as child caring institutions by the state where the child is placed. In Michigan, the DHS Bureau of Children and Adult Licensing (BCAL) is responsible for licensing child caring institutions, and
- All other payment resources have been exhausted to their maximum benefit. Before payment can be authorized, parents must use all other available resources to their maximum, including:
  - Private health insurance.
  - Medicaid.
  - Children's Special Health Care Services.
  - Local and intermediate school districts.
  - Children's Trust Fund.
  - Other public resources.

The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment / services to his or her own adopted child.

Medical subsidy payments may be modified based on items already included in the child's adoption support subsidy payment; for example, special food, medication, supplies, services, or transportation.

Claims are to include the following information:

- Child's name and date of birth.
- Parent(s) name(s) and address.
- The condition for which services were provided.
- A list of the services provided.
- Date(s) and time(s) of service(s).
- Name and address of the service provider.
- Federal identification number or Social Security number of the service provider requesting payment.
- License or certification number of the individual therapist who actually provided the services, if applicable.
- If services have been rejected for coverage by a private insurance carrier or by Medicaid, a copy of the rejection statement must be attached to the billing.
- If no other resources are available to assist with the cost of services, the billing statement must state, "No other resources available."
- A parent signature verifying receipt of services. This must include the following statement: "I have reviewed this bill for accuracy and by my signature I am verifying that the services were provided and the times and dates of services billed are accurate."
- Provider signature verifying that services were rendered on the dates and times indicated on the bill.

Whenever possible, the family is to have the service provider bill the department for services covered by a medical subsidy certification. These bills are to be sent to:

Michigan Department of Human Services  
Adoption Subsidy Office  
235 S. Grand Ave., Suite 612  
P.O. Box 30037  
Lansing, Michigan 48909

When a child is not covered by the parent's private health insurance, and the family obtained prior authorization from the

Adoption Subsidy Office, bills must be submitted within four months after services are provided.

When a child is covered by the parent's private health insurance, bills must be submitted to the Adoption Subsidy Office within three months of the parent or provider receiving documentation of partial payment or rejection of payment by the insurance company.

Waivers to the above time limits may be given on a case-by-case basis.

Medicaid-enrolled providers must bill Medicaid prior to billing the adoption subsidy program and must accept Medicaid payment as payment-in-full for any covered services.

Warrants will only be issued when the reimbursement amount totals \$10 or more. Claims or bills submitted in the amount of \$9.99 or less will not be reimbursed; they should be held and submitted with additional bills when the combined total reaches \$10 or more.

Example: The parent or provider submits a request for reimbursement in the amount of \$9; the program will not issue a payment. If a parent or provider submits a bill, or multiple bills, at one time equaling \$10 or more, the Adoption Subsidy Office will issue payment.

\$9.00 - Prescription co-pay

\$1.00 - Psychotherapy co-pay

\$10.00-Adoption medical subsidy program issues payment as the \$10.00 threshold was reached by submitting two bills.

## EXCLUDED COSTS

- The adoption medical subsidy program does not reimburse an adoptive parent for providing treatment/services to his or her own adopted child.
- Adoption medical subsidy does not pay for missed appointments.
- Payment for physical care, behavioral care, and out-of-home services will not be extended beyond the child's 18th birthday.



- Services are not paid if the service is available from the public school system under the Michigan Mandatory Special Education Act [Act 198, P.A. 1971].

**PARENT  
RESPONSIBILITIES**

The adoptive parent(s) must notify the adoption subsidy office, in writing, within two weeks after one or more of the following events occur for as long as adoption assistance is continued:

- The child is no longer the legal responsibility of the adoptive parent(s).
- The adoptive parent(s) are no longer providing any support for the child.
- The child becomes an emancipated minor.
- The child marries.
- The child enlists in the military.
- The child dies.
- Change of family's address.
- The child is placed in a legal guardianship.
- The child becomes a ward of the Juvenile Court through voluntary or involuntary actions.

Recoupment procedures will be followed for changes not reported timely that result in an overpayment.

**ANNUAL REPORTS**

The department will conduct annual reviews to determine whether the adoptive parent(s) remain legally and financially responsible for the child.

**Title IV-E Funded  
Cases**

The DHS-1347, Annual Report/Status Change, will be mailed to all adoptive parents receiving title IV-E funded adoption assistance. The report will include directions and time frames for reporting.

**State-Funded  
Cases**

The DHS-678, Annual Report/Status Change - Eligibility for Services Funded by the Federal TANF Block Grant will be mailed to all adoptive parents receiving state funded adoption assistance. This report will be used to determine whether TANF funding or state funding may be used to fund the adoption assistance. The report will include directions and time frames for reporting.

**ANNUAL REPORT  
COMPLETION**

Failure to complete and return either the DHS-1347 or DHS-678 to the adoption subsidy office will result in further action to determine the adoptee's continued eligibility for adoption assistance.

**GENERAL  
INFORMATION**

Once approved, adoption assistance and adoption medical subsidy will continue even if the adoptive parent(s) move out of the state, provided all other eligibility requirements are met.

Children moving into Michigan with adoption and medical assistance from another state may be eligible to have Michigan Medicaid opened by the adoption subsidy office.

**ADDRESS CHANGES**

Address changes must be submitted in writing to the adoption subsidy office. The address change information should be submitted as far in advance as possible so that adoption assistance checks can be directed to the correct address. The written address change must include the following information:

- Parent's name.
- Phone number.
- Child's name.
- Child's date of birth.
- Complete old address.
- Complete new address, including any post office box number.
- Effective date of new address.
- Parent's signature.

**Note:** If the adoptive parent is also a licensed foster parent or day care provider, he/she must also contact the appropriate licensing office.

**MEDICAID****New Cases  
Opening With an  
Out-of-State  
Address**

Michigan Medicaid will not be opened for children whose adoptive home is located in another state.

At case opening, the adoption subsidy office will complete Interstate Compact on Adoption and Medical Assistance (ICAMA) Form 700 Notice of Medicaid Eligibility/Case Activation, and notify

the child's state of residence that the Medicaid should be opened in that state.

### **Michigan Children Moving to Other States**

Children who are eligible for Medicaid through Michigan's adoption assistance program should be eligible for the Medicaid program in the state where they live.

Before moving, the adoptive parent should contact the adoption subsidy office to change their address and inform the office that they need Medicaid in the new state.

The adoption subsidy office will complete Interstate Compact on Adoption and Medical Assistance (ICAMA) Form 700 Notice of Medicaid Eligibility/Case Activation, for the family and inform the new state of the need for medical assistance through that state's program.

### **Children Moving to Michigan From Other States**

A child who moves to Michigan with adoption assistance-related Medicaid eligibility from another state may receive Medicaid through Michigan's Medicaid program. All title IV-E funded adoptions are categorically eligible for Medicaid. The adoption subsidy office in central office authorizes and maintains current Medicaid for these children.

The parent of an eligible child who is moving to Michigan should contact the state that issued the adoption subsidy (or adoption assistance) agreement. The originating state should complete the ICAMA Form 700 Notice of Medicaid Eligibility/Case Activation and forward it to:

Michigan Department of Health and Human Services  
Adoption Subsidy Office, Suite 612  
P.O. Box 30037  
Lansing, Michigan 48909

**GENERAL  
INFORMATION**

The following policies must be used when an administrative hearing regarding adoption support subsidy, medical subsidy or nonrecurring adoption expenses is requested. Bridges Administrative Manual (BAM) 600 policy does not apply to adoption subsidy cases.

**MAHS**

The Michigan Administrative Hearings System (MAHS) is the state's central agency that provides impartial administrative law judges to conduct administrative hearings for the Department of Human Services (DHS). This office is located within the Department of Licensing and Regulatory Affairs (LARA).

**Issues Subject to  
Administrative  
Hearings**

DHS has an administrative hearing process to provide for the right to dispute a department decision when an individual believes the decision is contrary to law or DHS policy or when a claim is not acted upon in a reasonable time period. Examples of issues subject to administrative hearings include, but are not limited to:

- Denial of eligibility for any of the adoption subsidy programs.
- Failure of DHS, or a private agency under contract with DHS, to notify potential adoptive parents about the availability of adoption assistance for children who are under DHS responsibility for placement and care when the prospective adoptive parent(s) have requested a determination of eligibility by signing the DHS-4081, Adoption Assistance Intent Statement.
- Failure of the adoption worker to complete required application documents to apply for adoption assistance prior to the final order of adoption.
- Dispute with the subsidy rate set by DHS.
- Closing of a subsidy case.
- Reduction or denial of benefits.

The applicant, adoptive parent or guardian must prove that there was an error or mistake in their case at an administrative hearing.

## Notice Requirements

Application forms and each written decision notice made on a case must provide applicants information on their right to a hearing. This includes an explanation of how and where to file a hearing request and the right to be assisted by and represented by anyone the applicant chooses.

The applicant must receive a written notice of all decisions affecting eligibility or the amount of benefits. When a decision is proposed or made, the notice must specify:

- The decision of the department.
- The reason(s) for the decision.
- The specific manual item(s) that cites the legal base for the decision, or the regulation or law itself.
- The circumstances when assistance will be continued until the hearing decision is received. If the DHS decision is upheld, the payments made during the time must be repaid to the department.

**Exception:** There will not be a notice of a decision when a hearing decision is issued. The hearing decision serves as notice of the DHS decision.

The Adoption Subsidy Office must give **timely** and **adequate** notice of decisions that will result in discontinuance, termination, suspension or reduction of assistance.

**Adequate notice** means a notice containing the information above. **Timely notice** of these DHS decisions means that notice must be mailed at least 10 calendar days before the effective date of the decision by the department.

In the following circumstances, the Adoption Subsidy Office must send **adequate notice** to the applicant, adoptive parent or guardian no later than the date of the decision (immediate negative action):

- Where the Adoption Subsidy Office has factual information confirming the death of the subsidy payee or the subsidy-eligible child.
- When the Adoption Subsidy Office receives a written statement signed by the payee that he/she no longer wishes to receive subsidy assistance or the statement provides information which requires termination or reduction of assistance and the payee has indicated in writing that he/she understands that the discontinuance of subsidy assistance is the result of the information.
- The payee's whereabouts are unknown and DHS mail directed to the payee has been returned by the post office indicating no known forwarding address. The payee's check must be made available to him/her if the whereabouts become known during the payment period covered by a returned check.
- A special allowance granted for a specific time period is terminated and the recipient has been informed in writing at the time of initiation that the allowance shall automatically terminate at the end of the specified period.

### **Who May Request an Administrative Hearing**

Prior to adoptive placement by the court, an administrative hearing may be requested by an adoption subsidy applicant. After adoptive placement by family court order, the adoptee, the adoptive parent or legal guardian (appointed after the death of the adoptive parent(s) under MCL 700.5202 and 700.5204) has the right to request a hearing. For purposes of this policy, the person requesting the administrative hearing is referred to as the petitioner. An opportunity for an administrative hearing shall be granted to any petitioner who requests a hearing because his or her request for adoption subsidy is denied or is not acted upon with reasonable promptness and to any petitioner who is subject to a decision resulting in suspension, reduction, discontinuance or termination of assistance.



**Authorized  
Hearing  
Representative**

A hearing request signed by a petitioner may name an authorized hearing representative (AHR) who may stand in for or represent the petitioner in the hearing process. The petitioner may choose an attorney or other person to act as the AHR. An AHR exercises the petitioner's right to a hearing and may do whatever the petitioner would do if the petitioner were not represented. If the petitioner names an AHR, the AHR must sign a hearing request withdrawal, if one is filed.

**Hearing Request  
Deadline**

Hearing requests must be submitted in writing and signed. For all denials and other appeals, an individual has the right to request a hearing within 90 calendar days of the written decision notice by the Adoption Subsidy Office.

To avoid suspension, reduction, discontinuance or termination of adoption assistance, medical subsidy or nonrecurring adoption expenses pending the administrative hearing, the petitioner must submit a hearing request to the Adoption Subsidy Office within the following deadlines:

- Before the effective date of the decision.
- Within 11 business days of the effective date of an immediate negative action.

If a petitioner requests a hearing within the above time frames, the department shall not suspend, reduce, discontinue or terminate adoption assistance, medical subsidy or nonrecurring adoption expenses pending a decision following the hearing.

***Exception:*** Benefits will not continue when the petitioner or AHR specifically states in writing that continued assistance pending the hearing decision is **not** requested.

If a hearing request is not received within the above-stated time frames, suspension, reduction, and/or termination of assistance will not be reversed pending the hearing decision.

***Denial at Application***

The petitioner is not entitled to benefits pending the hearing when the reason for the hearing request is a denial of eligibility at application.

**Recouping  
Program Benefits**

If a hearing request is filed timely and program benefits are continued, repayment of funds will be required if any of the following occur:

- The hearing request is later withdrawn.
- MAHS denies the hearing request.
- The petitioner or AHR fails to appear for the hearing and MAHS gives written instruction to proceed.
- The hearing decision upholds the department's decision.

The repayment will be calculated from the date the payments would have stopped to the date the negative action is subsequently effective.

**Local Office  
Receipt of Hearing  
Request**

In the event an adoption subsidy hearing request is inappropriately filed in the local DHS office, it must be date-stamped and immediately forwarded to the Adoption Subsidy Office at:

Adoption Subsidy Office, Hearings Coordinator  
Michigan Department of Human Services  
Grand Tower, Suite 612  
P.O. Box 30037  
Lansing, MI 48909

**Subsidy Office  
Action on Untimely  
Requests**

For all inappropriate requests and/or requests received by DHS more than 90 calendar days from the date of the decision notice, the Adoption Subsidy Office must do the following:

- Complete the DHS-3050, Hearing Summary, stating the following:
  - The reason why the request should not be heard.
  - The request was received more than 90 calendar days from the date of the decision notice (attach a copy of the notice).
- Forward the hearing request and the summary to MAHS.

MAHS will inform the petitioner in writing when a request is granted or denied. If the request is granted, MAHS will provide advance notice of the time, date and place of the hearing.

### Standards of Promptness

The **Adoption Subsidy Office** has 15 calendar days from receipt of the hearing request to complete all of the following:

- Log the hearing request.
- Contact the petitioner or AHR.
- Obtain and submit to MAHS verification of the AHR's prior authorization, if needed.
- Offer a pre-hearing conference including all appropriate persons. (The conference need not be held within the 15 calendar day standard, but there must be documentation of the contact with the petitioner or AHR within the 15 calendar days.)
- Determine the nature of the dispute.
- Forward the request with either a DHS-18A, Hearing Request Withdrawal, or a DHS-3050, Hearing Summary, to MAHS by the 15th calendar day.

**MAHS** has 65 calendar days from receipt of the Hearing Summary to schedule and conduct a hearing, render a decision and mail it to the Adoption Subsidy Office, the petitioner and the AHR.

Following the administrative hearing, the Adoption Subsidy Office has 10 calendar days from the date a decision and order is received from MAHS to implement the decision.

**Expedited  
Hearings**

An expedited hearing may be requested when unusual circumstances exist. Circumstances that may qualify for an expedited hearing include, but are not limited to, medical subsidy denials for out-of-home placement funding or denial of eligibility/services for a child with a serious medical condition. A subsidy manager may request an expedited hearing by calling the MAHS director or designee, or checking the expedited hearing box on the DHS-3050, Hearing Summary.

All of the following must be completed by the Adoption Subsidy Office within two business days of receiving the hearing request:

- Complete the DHS-3050. Include an explanation of the reason an expedited hearing is required.
- Write “expedited hearing” at the top of the hearing request.
- Forward the hearing request and the summary to MAHS.

**DHS-3050, Review  
and Hearing  
Summary**

Upon receiving a signed, written hearing request, the Adoption Subsidy Office will review the request and complete the DHS-3050, Hearing Summary, and forward it and the original hearing request to MAHS. The hearing summary must briefly describe the agency’s decision and the petitioner’s arguments against the department decision.

The narrative of the hearing summary must include all of the following:

- A clear statement of the decision, including all programs involved in the decision.
- Facts which led to the decision.
- Policy which supported the decision.
- Correct address of the petitioner or AHR.
- Description of the documents the Adoption Subsidy Office intends to offer as exhibits at the hearing.

The department must decide what exhibits to offer at the hearing and attach copies to the hearing summary. A copy of the policies used in determination of the DHS decision must also be included. A copy of the hearing summary and copies of exhibits and policies must be sent to the petitioner at the same time they are sent to MAHS. A copy of all documents must be kept in the adoption subsidy case file. Additional documents may be sent to MAHS and to the petitioner after the hearing summary has been submitted.

The Adoption Subsidy Office must determine whether a local office or private contract agency staff person is needed for testimony at the hearing. If staff is determined necessary, they should be informed by telephone and confirmed in writing. Current DHS and contract agency staff are required to participate in administrative hearings without a subpoena when their testimony is deemed necessary.

A request for a subpoena may be sent to MAHS if a witness is no longer employed or under contract with DHS. The request must be sent prior to the hearing date and allow time for sufficient notice.

### **MAHS Response to Hearing Requests**

The Michigan Administrative Hearings System (MAHS) may grant or deny a hearing request. MAHS can deny requests:

- Signed by unauthorized persons.
- Without signatures. Faxes or photocopies of signatures are acceptable.
- Received by DHS more than 90 calendar days after the date of the written decision notice.

### **Pre-Hearing Conference**

Issues stated in the hearing request should be resolved whenever possible through a conference with the petitioner or AHR, rather than through a hearing. A pre-hearing conference (either in person or by phone) must take place within 30 calendar days after the Adoption Subsidy Office receives the hearing request unless:

- The petitioner or AHR chooses not to participate in the pre-hearing conference. (The efforts made to offer a conference must be documented in the case record.)
- A conference was held prior to the receipt of the hearing request and the issue in dispute is clear, and DHS staff fully understand the positions of both the department and the petitioner or AHR. Documentation of the conference must be filed in the case record.

All appropriate staff should be consulted before the pre-hearing conference and should attend, as necessary.

### **Corrected Case Action**

If the Adoption Subsidy Office determines that the decision needs correction, the department may take one or more of the following actions:

- Cancel the DHS case decision.
- Make corrective payments retroactive to the date the incorrect action was effective.
- Send a new decision notice to the petitioner and/or AHR.
- Notify MAHS that the disputed decision has been corrected and that the petitioner's concerns have been resolved. MAHS must have all of the following documentation to deny hearing requests without a signed petitioner withdrawal, if a DHS-3050 has been submitted:
  - The hearing request with the signature of the petitioner or the AHR.
  - A short summary of the actions the Adoption Subsidy Office took to correct all of the petitioner's concerns.

MAHS will send the petitioner and AHR a letter stating that the hearing request is dismissed because there is no longer any basis for a hearing. However, the hearing will not be dismissed if the petitioner or AHR claims that the Adoption Subsidy Office failed to correct all disputed decisions.

## Withdrawal

A petitioner or AHR may withdraw the request for a hearing at any time prior to the administrative law judge's (ALJ) issuance of a recommend hearing decision and order. When a petitioner wishes to withdraw a request, a written and signed withdrawal must be submitted. If the petitioner has named an AHR, the AHR must sign the hearing request withdrawal. The DHS 18-A, Hearing Request Withdrawal, may be used for this purpose.

The withdrawal must state clearly that the petitioner has decided to withdraw the request and the reason for the withdrawal. The Adoption Subsidy Office must forward the original withdrawal to MAHS and file a copy in the case record. If the case has already been assigned to an ALJ, the withdrawal will be submitted to the assigned ALJ.

**Note:** This must occur if the DHS-3050-Hearing Summary has been submitted to MAHS.

## Requests for Postponement (Adjournment)

The petitioner, an AHR or the Adoption Subsidy Office may request a postponement (also called adjournment) of a scheduled hearing. The petitioner or AHR may call MAHS to request a postponement. Only MAHS can grant or deny a postponement. When the hearing is rescheduled, a new DHS-26A, Notice of Hearing, is mailed to all parties who received the original notice.

## The Hearing

The usual sequence for a hearing is:

- Introduction by the ALJ.
- Opening statements by the department and petitioner.
- Testimony of witnesses.
- Closing statements.

In general, the ALJ will follow the same rules used in circuit court to the extent these rules are practicable. The ALJ must ensure the record is complete and may:

- Take an active role in questioning the witnesses and parties.

- Assist either side to ensure that all necessary information is present on the record.
- Be more flexible than a circuit court judge in deciding what evidence may be presented.
- Determine what evidence is acceptable, material and relevant to the hearing.

## HEARINGS FOR POST-FINALIZATION APPLICATIONS

For hearings concerning adoption assistance and/or nonrecurring adoption expenses (NRE) eligibility requests after the final order of adoption, there are certain limited circumstances in which an ALJ may grant approval of adoption assistance or NRE through the administrative hearing process. An approval may be granted only in cases in which there has been a determination of both of the following:

- A specific error (examples below) was made.
- The child's pre-adoptive circumstances met the adoption assistance/NRE eligibility requirements prior to the date of the final order of adoption.

If the child's circumstances did not meet adoption assistance/nonrecurring adoption expenses eligibility requirements prior to the date of the final order of adoption, the presence of an error is not relevant. Determination of an error listed below will not change the child's ineligibility.

### Specific Errors

Some examples of errors that may be considered in the administrative hearing for adoption assistance and/or nonrecurring adoption expenses eligibility requests after the final order of adoption are:

- An error in the written determination of a child's ineligibility by the DHS Adoption Subsidy Office.
- The documented denial of eligibility by the DHS Adoption Subsidy Office was based on a means test of the adoptive family income/assets.
- For children who were under DHS responsibility for placement and care and placed for adoption by DHS after January 1,



1995 only: failure by the DHS local office adoption program (or private agency under contract with DHS to provide adoption services to the child) to notify or advise the adoptive parent(s) of the availability of adoption assistance and/or nonrecurring adoption expenses. Documented receipt of DHS Publication 538, Michigan's Adoption Subsidy Programs, is deemed evidence of notice of the above.

- Relevant facts regarding the child were known by DHS, placing agency foster care (PAFC) provider, or contracted private adoption agency and the information was not presented to the adoptive parent(s) prior to the final order of adoption.

### **Specific Error Determination**

If it is determined that a specific error such as listed above did occur in a case, the ALJ will review the child's circumstances to determine whether the child would have been eligible for an adoption assistance and/or nonrecurring adoption expenses at the time of, or prior to, the final order of adoption. The eligibility policy that was in effect at the time of the child's the final order of adoption will be used to determine eligibility.

If a child's circumstances did not meet eligibility criteria for adoption assistance and/or nonrecurring adoption expenses prior to the date of the final order of adoption but there is evidence of an error as listed above, eligibility cannot be granted.

### **Adoption Support Subsidy Rates for Children Found Eligible**

If an ALJ determines that a specific error was made and the child met the eligibility requirements for adoption assistance, the Adoption Subsidy Office will determine the maximum adoption assistance daily rate. The maximum rate will be determined consistent with the foster care maintenance rate that the child received, or would have received, in a foster family home at the time immediately prior to the final order of adoption. In addition, any legislative increase or decrease to the standard base rate that was authorized since the child's adoption placement will be considered in the rate setting.

For a child who was adopted from a residential treatment facility, the maximum adoption assistance rate will be determined consistent with policy in AAM 210, Adoption Support Subsidy Rate Determination.

After a maximum adoption assistance rate is determined by the Adoption Subsidy Office, the ongoing adoption assistance payment will be negotiated with the adoptive parent(s). A negotiated DHS-4113, Adoption Assistance Agreement, must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee before the adoption assistance ongoing payment and any retroactive payments may be paid.

**Effective Date of  
Post-Adoption  
Support Subsidy**

If an ALJ determines that a specific error was made and the child met the adoption assistance eligibility requirements, the adoption assistance will be paid back to the date the first payment would have been made if an error had not occurred. The adoption assistance payment is processed when the adoption assistance agreement is signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee and the DHS-1344, Case Opening Request, is submitted by the parent(s) to the Adoption Subsidy Office.

**Medicaid for  
Children Found  
Eligible After  
Finalization**

If an ALJ determines that a child is eligible for adoption assistance, the Adoption Subsidy Office determines the child's eligibility for Medicaid through the adoption assistance program. If it is determined that the child is eligible, Medicaid will be activated after the adoption assistance agreement is signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee, and the DHS-1344, Case Opening Request, is submitted by the parent(s) to the Adoption Subsidy Office.

**Nonrecurring  
Adoption  
Expenses  
Reimbursement for  
Children Found  
Eligible After  
Finalization**

If an ALJ determines that a specific error was made and the child met the eligibility requirements for nonrecurring adoption expenses, the DHS-4113, Adoption Assistance Agreement, or DHS-4814, Nonrecurring Adoption Expenses Application/Agreement for a Child Without Support Subsidy, must be signed by the adoptive parent(s) and the adoption subsidy program manager or DHS designee. After the DHS-1344, Case Opening Request, and DHS-4815, Parent Claim for Reimbursement of Nonrecurring Adoption Expenses, are submitted to the Adoption Subsidy Office by the adoptive parent(s), the allowable expenses will be determined and reimbursed up to the maximum allowed; see AAM 310.

**SUPPORT SUBSIDY  
RATE DISPUTES**

Adoption assistance payment rates must comply with state law [MCL 400.115g (2)], adoption assistance policies in AAM 210 and foster care policies in FOM 903-3. Administrative law judges may rule on the appropriateness of the rate established by the foster care or adoption subsidy program based on the circumstances prior to adoption and within the limits of MCL 400.115g (2).

**HEARING  
DECISIONS**

The ALJ determines the facts based solely on the evidence at the hearing, draws conclusions of law, and

- For adoption assistance requests received after adoption finalization, recommends a decision to the DHS director.
- For all other adoption subsidy matters, issues a decision and order.

Copies of the recommended decision and order are sent to the Adoption Subsidy Office and the petitioner. The DHS director has 60 calendar days to issue a final decision and order or return the recommended decision to MAHS for rehearing. The petitioner has

the right to appeal the final decision to probate court within 60 calendar days after the final decision is received.

The hearing decision and order may require the Adoption Subsidy Office to take action. The office must implement any required action within 10 calendar days of the mailing date of the hearing decision. The Adoption Subsidy Office will complete the DHS-1843, Administrative Hearing Order Certification, within 10 calendar days and send it to MAHS to certify the progress of implementation.

### **Rehearing/ Reconsideration**

A rehearing is a full hearing which is granted when the original hearing record is inadequate for purposes of judicial review or there is newly discovered evidence that could affect the outcome of the original hearing.

A reconsideration is a paper review of the facts, law and any new evidence or legal arguments. A reconsideration is granted when the original hearing record is inadequate for judicial review and a rehearing is not necessary but the department believes the ALJ failed to accurately address all the issues.

MAHS will determine if a rehearing or reconsideration will be granted.

### **Request for a Rehearing**

The department or petitioner may file a written request for a rehearing. The department may request a rehearing if any one of the following exists:

- Newly discovered evidence, which could affect the outcome of the original hearing.
- Misapplication of policy or law in the hearing decision which led to a wrong conclusion.
- Failure of the ALJ to address in the decision relevant issues raised in the hearing request.
- Typographical or mathematical errors that affect the rights of one of the parties.

**Rehearing Process**

The request for a rehearing must be received at MAHS within 60 calendar days of the mailing date on the original decision and order.

MAHS will grant or deny the request and will send written notice to all parties of the original hearing. If MAHS grants a reconsideration, the hearing decision may be modified without another hearing unless there is a need for further testimony. If a rehearing is granted, MAHS will schedule and conduct the rehearing in the same manner as the original hearing.

**Appealing a  
Hearing Decision**

Appeals from administrative hearing decisions must be filed in the probate court in which the adoption petition was filed or the probate court of the county in which the adoptee resides. For families living out-of-state, appeals must be filed in the probate court in which the adoption petition was filed.